PERFORMANCE PARTNERSHIP AGREEMENT

Between the

OREGON DEPARTMENT OF ENVIRONMENTAL QUALITY

And the

U.S. ENVIRONMENTAL PROTECTION AGENCY – REGION 10

For

July 1, 2006 – June 30, 2008

June 2006

2006 – 2008 Performance Partnership Agreement

Between the Oregon Department of Environmental Quality and the U.S. Environmental Protection Agency – Region 10

We are pleased to be signing the 2006-2008 Performance Partnership Agreement between EPA and DEQ.

To ensure success of our joint commitment to this PPA, DEQ and EPA have important work to conduct during 2006-2008. As the state continues to see diminishing revenues to support core program work, collaborative approaches to addressing priority environmental needs will be essential. This PPA represents an effort to engage in efficient, focused collaboration of efforts for both DEQ and EPA that achieves environmental results. It also reflects agreement on the need to focus resources on priority work, and to be willing to make the difficult choices about work that will not get done due to cuts in program funding and staffing.

Working in partnership to achieve our environmental goals, and making decisions regarding how best to employ our resources within the context of funding uncertainties, requires timely communication and collaboration. Recognizing the value of these conversations, during this PPA the agencies' leadership will meet periodically, to check in on our progress, identify issues and enhance our partnership.

DATE: _____	DATE: _____
SIGNED: _____	SIGNED: _____
Michael Bogert, Regional Administrator U.S. EPA – Region 10	Stephanie Hallock, Director Oregon Department of Environmental Quality

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PURPOSE AND SCOPE

This Performance Partnership Agreement (PPA) describes how the Oregon Department of Environmental Quality (DEQ) and the U.S. EPA Region 10 (EPA) will work together to protect Oregon's environment.

A PPA is part of a wider effort called the National Environmental Performance Partnership System (NEPPS), an initiative between the EPA and the Environmental Council of the States (ECOS, which is the association of state environmental directors). The goal of NEPPS, and of PPAs, is to introduce more flexibility, accountability, and innovation into the state/federal relationship. PPAs are intended to strengthen protection of the environment by focusing attention on overall environmental protection goals and the actual results of efforts to achieve them, not on government programs and the number of actions they take.

EPA has been working with ECOS to build upon the NEPPS effort by promoting *joint* planning and priority setting processes between the states and EPA regional offices. The intent is for states and EPA to regularly engage in joint planning to achieve better alignment in the work EPA and states do in order to more efficiently and effectively address environmental priorities. By providing a forum for developing Region-specific priorities and strategies, this "bottom-up" information flow would also allow the Regions to convey states' strategic thinking and priorities when discussing national program guidance and developing annual commitments with EPA Headquarters. While timing of federal and state planning cycles continue to hinder such integrated planning goals, this PPA does reflect the joint priorities of Region 10 and DEQ at the time of its development, as reflected below.

This PPA serves as the work plan for the Performance Partnership Grant (PPG) covering State Fiscal Years 2007 and 2008. A PPG allows for a number of grants to be combined into one flexible grant package. PPGs are intended to reduce the administrative burden by consolidating several grants into one and to increase flexibility by enabling state agencies to direct resources to the highest environmental priorities. The PPG approach creates more opportunity for redirecting resources during the course of the agreement, based on environmental priorities and changing conditions.

EPA program grants included within the PPG include:

- Clean Air Act, Section 105
- Clean Water Act, Section 319 (partial grant)
- Clean Water Act, Section 106
- Resource Conservation and Recovery Act, Section 3011
- Safe Drinking Water Act – Underground Injection Control, Section 1443(b)(1)

STRATEGIC PRIORITIES

EPA and DEQ were guided in these PPA negotiations by their respective strategic priorities. DEQ is currently in the process of revising its Strategic Plan. Although the core environmental priorities of the state articulated in the 2004-06 Strategic Plan have been carried forward into the new draft Strategic Plan, new priorities have been added which are also reflected in the Program work plans contained in this PPA. DEQ and EPA will continue to work toward better

collaboration and integration of our strategic planning efforts so that the environmental priorities of each agency are most closely aligned with the environmental priorities in Oregon.

DEQ Strategic Directions 2004-2006	EPA Region 10 Priorities (supplement to 2005-2006 Strategic Plan)	EPA National Goals (as listed in EPA's 2005-2006 Strategic Plan)
Protect Oregon's Water	Columbia River Basin (WA, OR, ID)	Clean Water
Protect Human Health and the Environment from Toxics	Fine Particulates from Smoke & Diesel Oil and Gas	Clean Air Protect and Restore the Land
Deliver Excellence in Performance and Product		
Involve Oregonians in Solving Environmental Problems	Grants Management	Compliance and Environmental Stewardship

EPA's Strategic Priorities

Region 10 strives to integrate state and regional priorities with EPA's national strategic planning objectives. The Region 10 strategic plan was developed through discussions with states and tribes. EPA's national and regional strategic plans are available at http://www.epa.gov/ocfo/.

The Oregon PPA incorporates EPA's national and regional objectives in ways that fit with Oregon's priorities and objectives. We share the goals of clean air, clean water, clean land, healthy communities and compliance with environmental laws. In this PPA we describe how we work together on specific activities that help achieve our goals.

Region 10 priorities in Oregon include cleaning up and restoring the Columbia river; tribal environmental health; oil and gas (expanded from an Alaskan priority to include work related to oil, gas and mining in the entire region); reducing fine particulates from smoke and diesel emissions, emphasizing consistency with the thrust of EPA's West Coast Diesel Collaborative initiative and the shift from development of smoke management plans to operation of those plans; and grants management.

DEQ's Strategic Directions

DEQ's mission is to be a leader in restoring, maintaining and enhancing the quality of Oregon's land, water and air. Our vision is to work with all Oregonians for a healthy, sustainable environment.

The *Strategic Directions* identify agency-wide priorities and guide the development of budget requests, grant applications, employee work plans, and environmental reporting. The draft strategic priorities for 2006-2011, currently under review and revision, include the four 2004-2006 priorities listed above, with some modification to clarify priorities in the Air Quality Program, and a fifth strategic priority on promoting sustainable practices. Key Actions, which identify how DEQ will address the priorities, are also being updated. The draft Strategic Plan can be viewed at http://www.deq.state.or.us/about/eqc/agendas/attachments/2006apr/B-AttA.pdf.

State Priorities Influencing this PPA

DEQ's priorities are also influenced by Governor Ted Kulongoski's natural resource priorities. A top priority for the Governor is to cleanup the Willamette River – from its Eugene headwaters to the mouth of the river as it enters the Columbia. DEQ has focused on cleanup and reducing discharges to the Willamette, working with businesses in the Portland Harbor and in partnership with local agencies. The work plans for Hazardous Waste and Water Quality demonstrate these commitments.

Climate change is also a priority in Oregon under Kulongoski's administration. Tying the need to address global warming and improve air quality to public health and the state economy, the Governor has called for stricter vehicle emissions standards and strengthening of Oregon's Clean Diesel Initiative. DEQ's Air Quality work plan, as well as the agency's draft Strategic Plan, reflect these priorities.

DEQ priorities are also articulated in the agency's 2007 Legislative Agenda. We are developing budget proposals for the 2007 legislature which reflect three themes aimed to address increasing demands on Oregon's environmental programs, including:

- Protecting the health of Oregonians
- Maintaining Oregon's environmental protections
- Seeking solutions today for tomorrow's environmental problems

Protecting the health of Oregonians

Our efforts to protect public health include collecting and analyzing environmental data - the foundation of sound decision making, addressing risks, and protecting safe drinking water and clean air. There are repeated requests for more monitoring data and analysis to better understand potential impacts on human health and ecosystems. Reductions in State General Funds since 2002, and reductions or shifts in federal funding over the past several years, have resulted in significant cuts to Oregon's air and water monitoring program and, correspondingly, available resources to analyze the data.

Protecting health also includes DEQ efforts to prepare for future disasters in order to save lives, save money and speed recovery.

Maintaining Oregon's environmental protections

The funding reductions that have resulted in cuts in DEQ's monitoring programs have also reduced DEQ's effectiveness in a number of its core environmental programs. *Maintaining environmental protections* requires developing and implementing effective standards that will result in real environmental gains, and adequate funding to support our work. The 2007 legislative agenda will focus on attempting to secure additional State General Funds and fee increases to provide adequate funding.

Seeking solutions today for tomorrow's environmental problems

The third theme, *seeking solutions*, deals with DEQ's ability to address emerging environmental problems, including Oregon solutions for global environmental problems, ensuring that Oregonians continue to be leaders in addressing new waste streams, and developing creative uses of today's wastes to reduce demands on tomorrow's resources. DEQ will seek funding for the Oregon Low Emission Vehicle program, wastewater reuse, visibility/haze, toxics, and the new fine particulate standard.

The legislative agenda reflects DEQ priorities for seeking additional funds to support Oregon's environmental protection program. Part of the request will focus on additional general funds. However, we have no assurance that the Governor or the Oregon Legislature will approve any or all of these funding packages. Given state priorities related to schools and human services, services that have experienced significant cuts in the last several legislative sessions, we must recognize that funding of environmental protection competes with these social needs. In addition, DEQ will be seeking approval for a number of fee increases to support fee-funded programs. Again, there is no guarantee as to which proposed fee increases will be supported and approved. Neither general fund nor fee increases are intended to replace federal funds; rather, state funds will be used to support inflationary costs and special activities needed in Oregon to address local environmental needs. Any decreases in federal funding, such as proposed by the President's 2007 budget request, will impact Oregon's ability to implement a number of the federally mandated programs and may result in cuts to core environmental programs.

REGIONAL PRIORITY: THE COLUMBIA RIVER

The Columbia River Basin has been recognized as a regional priority by EPA through nomination as a Critical Ecosystem in the 2006-2011 EPA Strategic Plan. The Columbia River was included in support of EPA's Strategic Plan, draft Goal 4, Healthy Communities and Ecosystems. The objective of this goal is to restore and protect critical ecosystems, including protecting, sustaining, and restoring the health of critical natural habitats. Sub-objective 4.3.9, Restore and Protect the Columbia River Basin, states: "by 2011, prevent water pollution, improve water quality, and protect and restore Columbia River Basin ecosystems so that risks to human health and the environment can be reduced as measured by the strategic targets described below."

The states of Oregon, Idaho, and Washington, along with EPA are working collaboratively to develop measures to meet Sub-objective 4.3.9 that can be supported by the states and EPA given funding and staff limitations. Contingent on continued federal funding, Oregon's contribution to the measures will be to continue work on the Pesticide Stewardship Partnerships (PSPs) in selected tributary sub basins within the Columbia River system. The PSPs are effective at reducing water quality effects from currently used pesticides. However, these PSPs and legacy pesticide collections have been funded at a very low level with 319 grant funding. Any reductions in 319 funding will put this work in jeopardy. DEQ will work with EPA to the extent

current staffing allows in procuring additional funding for this work, but will not have the resources to pursue funding aggressively.

In addition, the Air Quality Program is working with Washington agencies to develop an air quality strategy for the Columbia River Gorge National Scenic Area. This includes a comprehensive monitoring and modeling study to determine present and future air quality conditions in the scenic area. Completion of the study is expected in early 2007, after which the state Air Quality Program will work with partner agencies to determine the next steps.

TAILORING APPROACHES TO OREGON'S UNIQUE NEEDS

This PPA demonstrates the ways DEQ and EPA are working together to address Oregon's environmental priorities, with approaches tailored to work best in Oregon. DEQ's experience in Oregon shows that *how* we do our environmental work is just as important as *what* environmental work we do. The following four principles, described below, guide the way DEQ approaches environmental protection and restoration in Oregon:

1. Use the right tool to achieve environmental results.
2. Implement core program work through geographic approach.
3. Develop and implement cross program community partnerships to reduce toxics.
4. Allocate resources to high priority work.

Use the right tool to achieve environmental results

DEQ is a regulatory agency responsible for ensuring compliance with environmental standards. DEQ's success in this area is directly related to its ability to identify and apply the most effective tools and approaches to achieving compliance within the regulated community. In Oregon, the regulated community looks quite different from many other states in the country.

While the entities that DEQ regulates can range from homeowners to the broader public, from small to large municipalities and from small businesses to large industries, the fact is that over 90 percent of businesses in Oregon are very small (under 20 employees) and the majority of municipalities are small as well. Not only do these smaller entities often have limited financial means, they have less environmental knowledge and resources to implement environmental requirements than larger organizations. In addition, many of Oregon's toughest environmental problems stem from non-point or area source pollution problems. This is a vastly different landscape when compared with many other states, especially eastern states where the major pollution concerns are linked to large industrial point sources.

Without jeopardizing the environment or public health, DEQ has been steadily expanding its tool box of innovative and collaborative problem-solving approaches to compliance assurance. In many cases, these approaches can achieve environmental protection more quickly than traditional means, provide greater opportunities for the regulated community to learn about compliance needs and result in process improvements that often go beyond compliance. These approaches are balanced by the fact that when situations call for formal enforcement, DEQ pursues strong and firm enforcement in a timely manner to provide a future deterrent. All of DEQ's compliance efforts aspire to equity, consistency and understandability.

EPA is committed to working with states to find new and innovative ways to work more effectively. Both DEQ and EPA have been active participants in this *integrated* approach to

compliance and enforcement, i.e., the ability to choose among a variety of innovative and traditional tools (from financial, educational, and technical assistance to permitting, inspections and enforcement) to achieve the greatest success. DEQ and EPA are committed to continuing to invest in an integrated strategy for compliance and enforcement. This strategy allows the state to focus on outcomes and solve problems through approaches that lead to less resistance and more rapid compliance, promote economic health and encourage innovation, and increase trust among all stakeholders. It is consistent with EPA's 2003-2008 strategic plan, which states that "recognizing that environmental issues and concerns are diverse, EPA will develop a range of PPAs tailored to state needs."

The following examples represent a small subset of approaches that DEQ has used to meet Oregon's unique needs:

West Coast Diesel Emissions Reductions Collaborative (Collaborative)

Diesel emissions represent one of the most important opportunities to achieve rapid and cost-effective health and environmental benefits in Oregon and the entire West Coast. Oregon is a member of the West Coast Diesel Emissions Reductions Collaborative, which is sponsored by EPA and is a unified effort of staff from federal government agencies of the U.S., Canada and Mexico, as well as state and local governments and non-profit and private sector partners from California, Oregon, Washington, Alaska and British Columbia. The purpose of the Collaborative is to:

- Bring attention to the many highly successful state, local and regional efforts to promote and support voluntary diesel emission reductions,
- Create a forum for information sharing among diesel emission reduction advocates, and
- Leverage significant new resources to expand voluntary diesel emission reduction efforts.

SO2 Milestones Program

Under Section 309 of the Regional Haze Rule, five states including Oregon adopted an innovative approach to reducing air pollution in the West that causes regional haze. Annual emission reduction targets - known as "SO2 milestones" - were adopted, that must be met collectively by all five states each year. If an annual milestone is not met, then a mandatory emissions trading program would be triggered as a backup measure. Since adoption in 2003, the annual milestones have been met each year. Projections are the 5 states will continue to meet these milestones into the future, until they sunset in 2018.

Tillamook Estuaries Partnership (TEP)

DEQ is a part of the Tillamook Estuaries Partnership, a local group that is run by a 20-seat Board of Directors representing private businesses, public agencies, special districts, non-profit organizations, and citizen stakeholders, working in partnership with a broad range of community members and organizations in its work. TEP is responsible for implementing a management plan to address water quality, habitat, sedimentation, and flooding issues in the North Coast. DEQ is specifically working with TEP to implement measures to address elevated temperature, bacteria and sedimentation in the area. DEQ has staff located in Tillamook that provide technical expertise and assistance and as well as grant funding opportunities for on-the-ground projects that will result in water quality improvements.

Integrated Compliance Strategy

DEQ's Hazardous Waste Program uses an integrated compliance strategy, including compliance inspections, enforcement, technical assistance site visits, trainings, and education to ensure compliance, to promote toxic use reduction and to increase the number of businesses that improve their overall environmental performance. The Program will continue to measure and evaluate how site-visits and trainings contribute to improved environmental performance. The Environmental Stewardship Assessment Tool will be used to collect the data.

Implement core environmental programs through geographic approach

DEQ implements its mission and responsibility through a regional decentralized approach. DEQ's regional approach to delivery of services and environmental strategies is tailored to match the geography of the state and the demographics those unique geographies present. The three distinct regional areas (Eastern, Western and Northwest Regions) implement a geographic approach to environmental protection. Each region, however, employs the geographic approach uniquely, based on local environmental needs and conditions.

The Geographic Approach is a way to do core program work and manage existing workloads with available resources that results in enhanced cross program communication and opportunities and delivers environmental results with maximum community involvement.

Defining our work in a geographic way builds a foundation for accountability. The volume of work is large and this is one way to manage that volume. It helps staff clearly understand work priorities and allows for shifting resources and priorities. It gives managers a tool that allows them to manage effectively.

The Geographic Approach also allows us to think outside of program lines and creates greater context, understanding and awareness about the work we do. It generates creative thinking and common sense solutions to our regulatory responsibilities

Our business includes caring about the people who are affected by our work and involving those who care about the work we do. Today's environmental problems can't be fixed by DEQ alone. The Geographic Approach creates opportunities to leverage community support to maximize environmental benefit.

Develop and implement cross program community partnerships to reduce toxics

DEQ's Agency Toxics Coordinator is working to develop a coordinated cross-program approach to ensure the agency addresses the most important toxic chemical problems in the most effective way, consistent with our Strategic Priorities. This important work is described here as a means of demonstrating and reminding both DEQ and EPA of the need for innovative cross program approaches to achieving environmental results. The PPA funds and other federal funding, such as 319 grant funding, are critical to our ability to implement DEQ's toxics strategy, specifically the use of the recently completed toxic chemical data report in setting priorities and strategies that protect human health and the environment from toxics. These priorities include the five specific efforts described below:

Pesticide Stewardship Partnerships (PSPs)
These projects form collaborative, local partnerships to improve water quality in small, agricultural basins through a combination of surface water monitoring for pesticides and local outreach to encourage voluntary implementation of best management practices (BMPs) and Integrated Pest Management (IPM). DEQ currently has Pesticide Stewardship Partnerships in Hood River, Mill Creek, Walla Walla, Pudding, Clackamas, and the Yamhill Basins. The PSPs have been implemented with limited funds through the 319 grant; any reductions in 319 funding will jeopardize continuation of this effort.

Portland Harbor Stormwater Management
This pilot project evaluates options to prevent recontamination of sediments in the Portland Harbor Superfund site from stormwater runoff. The effort includes working with DEQ's Water Quality and Land Quality Programs as well as other agencies to implement strategies for controlling toxic chemicals in stormwater discharges, in order to prevent recontamination of sediments in the Portland Harbor cleanup site.

Legacy Pesticide Collection Events
Pesticides purchased by farmers in the past that are no longer legal for use are expensive for the farmer to dispose of and pose a serious threat to the environment. Even though pesticides such as DDT are no longer legal to use they are still found, stored on private property in watersheds. A recent pesticide collection event in the Pudding River Basin collected 13,777 pounds of pesticides, including 10,874 pounds of DDT, diazinon, dinoseb, and lead arsenate. Removal and proper disposal of these pesticides eliminates the risk of migration and contamination of surface waters where only a few ounces of pesticides can contaminate hundreds of pounds of fish. Pesticide collection events are cost and environmentally effective methods for reducing the risk from legacy pesticides. These events will be coordinated with the DEQ Water Quality and Land Quality Divisions and are contingent on securing funds for hiring a contractor to collect and dispose of the pesticides. Any reduction in 319 funding will impact the number of collection events DEQ is able to provide.

Protecting Drinking Water
DEQ and Department of Health Services (DHS) formed a partnership and completed source water assessments of Oregon public water systems in 2005. The source water assessments used existing information for delineation of source areas for ground water wells and surface water intakes and identified potential contaminant sources. The data collected was used in a sensitivity analysis to determine low, moderate or high risk to public water systems. The top five potential contaminant sources identified for surface drinking water sources were: managed forests, irrigated crops, grazing animals, above ground storage tanks, and auto repair. The top five potential contaminant sources identified for ground water drinking water sources were: high density housing, transportation corridors, above ground tanks, irrigate crops, and underground storage tanks.

DEQ Water Quality and laboratory staff will conduct sampling of public water supplies to help determine if there are existing problems at the high risk areas, and whether the source water assessment accurately predicts public health risks. This work is funded by an existing DHS grant and is conducted in partnership with DHS.

Use of Air Toxics Data for Problem Identification and Protection of Human Health
Hazardous air pollutants can be a serious threat to human health in Oregon. DEQ has been working on this issue through a combination of modeling, monitoring, and source evaluations. There continues to be a need for evaluating air toxics in Oregon. The Agency

Toxics Coordinator will work collaboratively with the Air Quality Program to identify air toxic issues and possible strategies for addressing them.

Allocate resources to high priority work

In recent years, funding of environmental protection has continued to decline at the state and federal level, threatening the ability of state agencies to maintain current environmental protections, and seriously eroding our ability to take on new environmental mandates. DEQ responds to this challenge by directing its resources to high priority environmental problems in order to achieve the greatest environmental gain. Each of the attached program work plans reflects the need to focus limited resources on the highest environmental priorities first, making clear choices about work that will be done only as resources allow. For example:

Air Quality Program

Since the economic downturn in 2001, the Air Quality Program has taken significant resource cuts, scaled back operations, focused on core work and on the following highest priority work, as reflected in the attached work plan:

- Developing and adopting air toxics benchmarks,
- Completing maintenance plans and re-designation of nonattainment areas,
- Further streamlining of permitting programs,
- Encouraging diesel engine retrofits and use of cleaner grades of diesel fuel, and
- Working with the Oregon Department of Energy on climate change and reduction of greenhouse gases.

Water Quality Program

State and federal funding for DEQ's clean water work has also declined in recent years – both in real dollars and in what those dollars buy. The funding decline, combined with the growing complexity of federal Clean Water Act requirements and costly third party litigation, has eroded DEQ's resources for developing water quality standards, conducting water quality monitoring, developing water quality pollution loads (i.e., Total Maximum Daily Loads or TMDLs), issuing and enforcing permits, and protecting groundwater. Less visible, but just as important, DEQ's Water Quality Program "infrastructure," including its data management systems, has significantly eroded. Given these constraints on agency resources and the goal of maximizing our effectiveness in protecting Oregon's water quality, DEQ's Water Quality Program identified five priority areas in 2006 and 2007:

- Deliver on Blue Ribbon Committee commitments to improve DEQ's Water Quality Permit Program,
- Completion of TMDLs by target date dates in 2000 court order, and implementing the Willamette Basin TMDL,
- Develop a long term strategy for ongoing water quality improvements,
- Water Quality Program to function as a high performing team, and
- Adopt a Water Quality Strategic Plan for infrastructure.

Hazardous Waste Program

Faced with declining or stagnant revenues from all funding sources, and the need to strike a balance between federally delegated program priorities and state-mandated outreach and assistance the Hazardous Waste Program has also focused work plan commitments on environmental priorities, which include:

- Promoting compliance with hazardous waste regulations,
- Reducing the amount of waste generated and the amount of toxic materials used, and
- Using strategic approaches, including partnerships, target sectors and geographic approaches, to achieve compliance and environmental results.

The agency continues to look for opportunities to streamline procedures and organize programs in ways that reduce the cost of doing business. These strategies are evident in each of the Program work plans. For example, during the late 1990's, the Air Quality Program undertook an extensive air permit streamlining project. As a result, the Program reduced staffing in the Air Contaminant Discharge Program (ACDP) by 3.5 FTE and made getting a permit quicker and easier. Even further efficiencies were realized in 2005 and the ACDP program reduced staffing by an additional 4 FTE.

A final note: during this PPA, each of the programs will be undergoing program reviews by Region 10. In addition, DEQ will be participating in the federal Government Accountability Office study of EPA and state enforcement roles and relationships. The attached work plans do not attempt to quantify DEQ work related to these efforts. **If the program reviews require any significant resource investment by DEQ, the agency will need to reopen this agreement to reduce other work.** Any decision to shift resources away from the agency's current high priority work, for this or any other reason, will not be made lightly, and may require additional negotiations on how the agencies can share resources to ensure core program priorities are addressed.

MODIFYING THE AGREEMENT

This PPA is intended to be a "living," iterative document. Although DEQ and EPA developed this agreement based upon current and projected information, it is possible that either partner may want to revise the agreement based upon new information or changes that occur during the timeframe of the agreement.

The FY 2007 President's Budget asks for $1.09 billion for state program grants, which is about $24 million, or 2.1% below the FY 2006 level passed by Congress. Approval of this budget may result in a reduction in the level of federal resources available to the State of Oregon. If passed, DEQ and EPA will reconvene to negotiate modifications to the commitments outlined in the attached work plans.

In addition to funding cuts, changes in environmental conditions or priorities may also necessitate renegotiation of PPA commitments.

DEQ and EPA expect that, in most instances, negotiating changes will be a fluid process that both agencies can readily agree to, or that changes will be interpreted to be within the scope of the existing agreement, and that these agreements will be captured through written or verbal side agreements. When major changes are needed, the PPA can be re-opened and renegotiated under the direction of the DEQ Director and EPA Regional Administrator.

When either agency believes that changes are needed, the agencies will need to reach agreement on the following:

- The level of resources necessary to do the work,

- Any specific disinvestments from existing work that will be required to accomplish this new work, and
- The roles and responsibilities of each agency to support identified projects.

APPENDICES

A. AIR QUALITY PROGRAM COMPONENT

B. HAZARDOUS WASTE PROGRAM COMPONENT

C. WATER QUALITY PROGRAM COMPONENT

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APPENDIX A: AIR QUALITY PROGRAM COMPONENT

AIR QUALITY PROGRAM

The goal of DEQ's Air Quality Program is to keep Oregon's air healthy to breathe and ensure visibility is clear. DEQ uses the following indicators to determine how well this goal is being met:

- Percent of time that the air is healthy to breathe for all Oregonians (Oregon Benchmark – criteria air pollutants only).
- Trends in emissions of toxic air pollutants (EPA/ECOS Core Performance Measures).
- Percentage of Oregonians living in areas where the health risk is very low from exposure to individual air toxics (DEQ Executive Measure, proposed Oregon Benchmark).
- Trends in criteria air pollutants (EPA/ECOS Core Performance Measures).

Today, 100% of Oregonians live in areas that meet the National Ambient Air Quality Standards (NAAQS) for criteria pollutants, which represents a tremendous improvement from a period of routine violations in the 1980's and early 1990's. However, based on new health information, EPA has proposed to tighten the NAAQS for fine particles to a level that several Oregon communities would violate and many more would approach. In addition, population growth presents an ongoing challenge in continuing to meet the NAAQS for other pollutants, and exposure to toxic air pollutants is a growing concern.

During this PPA period, the Air Quality Program will work to prevent violations of the proposed fine particle NAAQS and continue efforts to prevent air quality deterioration from the other criteria pollutants. Air toxics will be another focus of the Air Quality Program. A recently updated EPA study estimated that concentrations of 20 toxic air pollutants in Oregon exceed generally acceptable health risk levels, with twelve pollutants of most concern. During the PPA period, the Oregon Air Program will determine benchmarks for toxic air pollutants and will work to reduce emissions from diesel engines and other air toxics sources of concern. Climate change and visibility protection will also be priorities during the PPA period.

Air Quality Program Joint Priorities

DEQ and EPA worked together to develop the work plan for this PPA. The objective was to come up with a plan that targets Oregon's most important air quality issues within the constraint of limited resources. As described below, both agencies came to the table guided by priorities established by the Northwest Collaborative Air Priorities Project (NW CAPP). Through this partnership agreement, both agencies have agreed to support each other's efforts in the following important work:

Priority: Clean Diesel

Diesel emissions are the number one air toxic in Oregon and efforts to reduce emissions are one of the key actions in DEQ's Strategic Direction to, "Protect Human Health and the Environment from Toxics." Governor Kulongoski, in his Executive Order on sustainability, highlighted the need to reduce diesel emissions. He tasked DEQ with developing a strategy to promote clean diesel technology along with evaluating options for reducing diesel engine idling, emissions testing of diesel-powered vehicles and converting school bus fleets to cleaner alternatives. Through the West Coast Collaborative, DEQ and EPA Region 10 are working together to promote diesel engine retrofits, reduce idling and promote biodiesel. In the Air Quality work

plan under Objective 3, the diesel outputs call for specific actions from both agencies to bring about emission reductions.

Priority: Air Toxics

DEQ's Air Toxics Science Advisory Committee has recommended air toxics benchmarks, and DEQ will propose these benchmarks for adoption during the PPA period. The benchmarks, which serve as planning goals for the Program, will enable DEQ to provide better information to the public about air toxics risk and develop and implement strategies to "Protect Human Health and the Environment from Toxics." DEQ will move forward with the federal Clean Air Mercury Rule to reduce mercury emissions from Oregon's coal fired power plant, and also participate in studies to understand and reduce mercury in the Willamette River. EPA will support DEQ's efforts to obtain stable funding for air toxics monitoring and asbestos abatement work.

Priority: Fine Particulate (PM2.5)

Based on extensive health studies, EPA has proposed more stringent standards for fine particles, which lodge deep in the lungs and cause cardiovascular disease, cancer and other serious health hazards. Residents in several Oregon communities are breathing air that would violate the proposed standards, and many more live in communities where fine particle air pollution is above levels of concern to EPA's Clean Air Act Science Advisory Committee. Rather than wait for official nonattainment designations, DEQ will seek resources to expand monitoring of fine particles and take steps to prevent and reduce fine particle pollution from combustion of fuel and waste along with other pollutants that transform to particles in the atmosphere. EPA will support these efforts with tools to track and manage smoke impacts from agricultural and prescribed forestry burning. EPA will also support DEQ with expertise in reducing emissions from open burning, developed through implementing the Federal Air Rule for Reservations (FARR). EPA's Oregon-based staff will support this work. In addition to this primary focus on fine particles, DEQ will complete plans to ensure that Oregon remains in long term compliance with national standards for other pollutants despite rapid population growth. EPA agrees to review and act on these plans within statutory deadlines and to coordinate its efforts consistent with Oregon's priorities.

Priority: Visibility

With financial support from EPA, DEQ and partners in the State of Washington are conducting an extensive study of visibility and other air quality values in the Columbia Gorge National Scenic Area. This study, which is due to be completed in early 2007, will enable DEQ and its partners to develop a strategy to protect and enhance air quality in the Scenic Area. During the PPA period, DEQ will seek resources to develop and implement this strategy. In addition, DEQ will develop and submit an updated plan to reduce haze in the west, as required by the federal regional haze program. This includes an evaluation of emission control options for the largest industrial sources of sulfur dioxide and nitrogen oxide emissions that were built before modern emission standards applied. EPA Region 10 will coordinate their regional haze planning efforts in neighboring Washington with this work.

Priority: Climate Change

In December 2004, the Governor's Advisory Group on Global Warming published the Oregon Strategy for Greenhouse Gas Reductions. The report concludes that global warming, which is caused by greenhouse gas emissions, poses a serious and growing threat to Oregon's economy, natural resources, forests, rivers, agricultural lands, and coastline. DEQ will partner with other agencies and stakeholders to reduce greenhouse gas emissions from transportation, fuel use and waste generation. This includes implementing Oregon's Low Emission Vehicle program,

reducing truck idling, promoting energy conservation and promoting the use of biofuels and biomass.

Priority: Point Source Programs

DEQ will continue to streamline, update and improve its industrial permitting programs, and will address issues identified by EPA Region 10 in program and compliance reviews. DEQ will seek additional resources to effectively implement the air quality permitting programs and will seek legislative authority to issue permits for large agricultural operations as required by the federal Clean Air Act.

Northwest Collaborative Air Priorities Project

As noted above in the introduction to the Air Quality Program Joint Priorities, both agencies are committed to furthering the priorities of the Northwest Collaborative Air Priorities Project (NW CAPP). Organized by the Region 10 Air Program, NW CAPP brought together over 150 representatives from government, industry, communities and nongovernmental organizations in the Pacific Northwest and Alaska during a 3-day air summit in June, 2003. The summit participants reviewed data on air quality and established consensus priorities for reducing risk to human health and the environment from air pollution in the Northwest. The Air Quality Program actively participated in the summit and supports the resulting eight priorities identified below. NW CAPP participants agreed to incorporate the priorities as appropriate in their strategic plans, and the activities that the Air Quality Program will undertake during this PPA period to help address NW CAPP priorities are summarized below and identified in the Air Quality Program work plan.

NW CAPP Priorities	Related DEQ/EPA Activities
a) Transportation emissions – Reduce emissions from transportation especially diesel and carbon dioxide, and support land us planning and alternate transportation as tools.	▪ Vehicle Inspection Program, Objective 2, Ongoing Activity 8. ▪ Piloting self-service testing and mail-in/internet testing, Objective 2, Output 5 ▪ Employee Commute Options, Objective 2, Ongoing Activities 11 ▪ Oregon Clean Diesel Initiative, Objective 3, Diesel Outputs 1 and 2 ▪ West Coast Diesel Collaborative, Objective 3, Diesel Outputs 1 and 3 ▪ Clean Diesel Hospital Zones project and the North Portland Diesel Reduction project, Objective 3, Diesel Output 4 ▪ Oxyfuels program, Objective 2, Ongoing Activity 12 ▪ Stage I and II, Objective 2, Ongoing Activity 13
b) Combustion emissions – Reduce emissions from combustion.	▪ Smoke Management program, Objective 2, Outputs 3 and 4 ▪ Local woodstove programs, Objective 1, Ongoing Activity 6 ▪ Open Burning program, Objective 2, Ongoing Activity 10

c) Indoor air – Reduce risks from air pollution indoors.	▪ Not part of this PPA
d) Public education – Increase support for education and other means of encouraging the public to take actions to reduce air pollution.	▪ Explain the new $PM_{2.5}$ and PM_{coarse} NAAQS and look for early reduction opportunities, Objective 1, Output 4 ▪ Clean Air Action Day Program and PM2.5 forecasting, Objective 2, Ongoing Activities 5 and 6 ▪ Portland Air Toxics Assessment outreach, Objective 3, State Air Toxics Program Outputs 3 and 4
e) Air toxics – Reduce health risks from outdoor toxic air pollutants, including identification of hot spots and primary contributing sources of toxic emissions.	▪ Implement NESHAP, Objective 3, NESHAP Outputs 1 and 2, Ongoing NESHAP Activities 1-5 ▪ Clean Air Mercury Rule (CAMR), Objective 3, Agency-wide Mercury and Toxics Reduction Output 2 ▪ Air toxics monitoring, Objective 3, Air Toxics Monitoring Outputs 1-3 ▪ Mercury monitoring for the Willamette River TMDL, Objective 1, Output 7 and Objective 3, Agency-wide Mercury and Toxics Reduction Output 1 ▪ Air Ambient Benchmark Concentrations and ATSAC, Objective 3, State Air Toxics Program Outputs 1 and 2 ▪ Scientific foundation, Objective 3, State Air Toxics Program Ongoing Activity 1
f) Greenhouse Gas – Reduce greenhouse gas emissions causing climate change.	▪ Oregon Low Emission Vehicle Program, Objective 2, Output 6
g) Environmental justice – Reduce health risks from toxic and other air pollution where people live, especially in minority, low income, rural, and other under-represented communities.	▪ Clean Diesel Hospital Zones and North Portland Diesel Reduction projects, Objective 3, Output 4
h) Tribes – Reduce risks to ecosystems, tribal communities, and their cultural resources from toxic and other air pollution sources.	▪ Federal Implementation Plans for Reservations, Objective 1, ongoing Activity 10 ▪ Federal Air Rules on Reservations, Objective 2, Output 4 ▪ Columbia River Gorge Visibility Project, Objective 4 Output 6

APPENDIX A: AIR QUALITY PROGRAM COMPONENT

Evaluation Process

To insure that EPA and DEQ maintain open communications during this PPA, the two Air Quality Programs have agreed to check-in every six months and have meetings as needed. In addition, grant update reports will be submitted every six months as part of the check-in. The check-ins and reports will include consideration of cross-program commitments as well. This evaluation process will ensure that the necessary grant monitoring requirements will be met. Check-ins may be conducted via e-mail or telephone or both.

Note: The President's 2007 proposed budget for State and Local Air Resource grants calls for a 16% funding reduction over 2006 levels. These funds provide critical base funding for Oregon's Air Quality Program. If passed by Congress with the proposed reductions, the Air Quality work plan will require modification to reflect the significant funding cut.

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Total DEQ FTE for this Component: 228.5**
Of this total, # of FTE supported by the PPG: 195.3

Objective 1: Limit public exposure to criteria pollutants by keeping all areas of the state meeting and beating health-based air quality standards.

Outcome Measures

- Monitoring demonstrates meeting National Ambient Air Quality Standards (NAAQS) as measured by a decline in the number of days when air quality is considered Unhealthy for Sensitive Groups or Unhealthy, as recorded by the Air Quality Index.
- Percent of communities within DEQ's jurisdiction that have been redesignated from nonattainment to attainment with a National Ambient Air Quality Standard.

Outputs	1) DEQ will complete the following maintenance plans during the PPA period: a. The combined Portland-Salem ozone maintenance plan will be submitted to EPA in January 2007. The plan will include a chapter evaluating Salem ozone because CMAQ modeling indicates that the Salem area is in attainment for ozone. DEQ will also incorporate the December 31, 2006 phase-out of the Vehicle Inspection Program Bar 31 test in the ozone plan. b. The Salem CO maintenance plan will be completed by approximately January 2007.
	2) EPA will review and act on the Medford PM10 submittal by September 2006.
	3) DEQ will assess EPA's implementation rules for PM 2.5 and begin the process of revising its rules as necessary to comply with the new SIP requirements.
	4) DEQ will work with Oregon communities to explain the new PM2.5 and PMcoarse NAAQS and look for early reduction opportunities.
	5) DEQ will work with EPA in the design and deployment of a network of PM coarse samplers in accordance with the new standards and guidance.
	6) DEQ will complete Phase 2 of the real-time monitoring project by June 2007, including deployment of paperless recorders and the possible upgrade of the AQM data management system.
	7) EPA and DEQ will work together as needed to identify resources to fund mercury monitoring for the Willamette TMDL and agency toxics reduction efforts.
Ongoing Activities	1) DEQ will operate and maintain the monitoring network plan according to 40 CFR Part 58 requirements and EPA approved Q/A plans. DEQ and EPA will explore options to reduce the CO monitoring network and reassign those resources to higher priority monitoring work.
	2) DEQ will participate in national and regional monitoring quality assurance.

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	3)	DEQ will maintain existing control strategies as required in attainment and maintenance plans**.** DEQ will submit any changes in SIP approved control strategies to EPA for approval.
	4)	DEQ will notify EPA of exceedance events, in a timely manner consistent with EPA's Natural Events Policy. In accordance with EPA's Natural Events Policy DEQ will evaluate exceedance events and implement appropriate plans and actions. DEQ will identify any exceedance data (PM 2.5 and PM 10 standards) to be flagged under the Natural Events Policy.
	5)	When DEQ notifies EPA of an exceedance event, including flagged data (PM 2.5 and PM 10 standards), EPA will analyze and respond to DEQ in a timely manner in accordance with EPA's Natural Events Policy. EPA will discuss flagged data with DEQ and work with staff to resolve any differences in interpretation of the natural events policy.
	6)	DEQ will continue to support local woodstove programs by providing financial support and technical assistance.
	7)	DEQ will coordinate with EPA on prioritizing SIP review and approvals. EPA and the state will communicate at least twice a year to discuss the status of future and in-house SIP submittals.
	8)	DEQ will develop initial SIP Development Plans for each SIP submittal approximately six months before EPA review is needed. The SIP Development Plan will include schedules that will be negotiated with EPA. EPA and DEQ will process all SIPs in accordance with the SIP Process Improvement Plan, dated April 15, 2002.
	9)	EPA Region 10 will support WESTAR in its leadership role of cumulative impact increment analysis for the Western United States. EPA will not initiate new technical work separate from WESTAR that will require input from DEQ. DEQ will participate in WESTAR policy efforts.
	10)	EPA will continue to implement Federal Implementation Plans for Indian reservations (FARR) requirements in Oregon.
Reporting	1)	DEQ will submit nephelometer data converted to PM2.5 values and ozone values to Air Now for all nephelometer and ozone sites. Hourly average data is submitted to AirNOW every hour.
	2)	DEQ will report ambient air quality data to EPA's Air Quality System (AQS) quarterly, within 90 days of the end of the quarter as required by 40 CFR Part 58. DEQ will also complete the certification of the previous year's data by June 30 of each year.
	3)	DEQ will report on emissions for non-point source categories as defined in 40 CFR Part 51. This incorporates the Consolidated Emissions Reporting Rule (CERR). Since the 2005 National Emissions Inventory (NEI) will be grown from the 2002 NEI, DEQ will simply certify in an email that we accept the EPA developed portions as our own estimates. DEQ will develop a non-point emission inventory by Sept 2007 for in house uses.
	4)	DEQ will continue reporting point source annual emissions as defined by 40 CFR Part 51. This incorporates the Consolidated Emissions Reporting Rule (CERR) elements that are currently reported by sources, excluding LRAPA.
Objective 2: Protect human health and the environment by continuing ongoing Air Quality Improvement Strategies.		

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OUTCOME MEASURES

- Monitoring demonstrates meeting National Ambient Air Quality Standards (NAAQS) as measured by a decline in the number of days when air quality is considered Unhealthy for Sensitive Groups or Unhealthy, as recorded by the Air Quality Index.
- The National Emissions Inventory (NEI) results will show a decrease in emissions over time.
- No worsening of visibility on the clearest days in Crater Lake National Park and Oregon's wilderness areas.

Outputs	1)	At a minimum, DEQ will submit a delegation request in April of each odd numbered year for all adopted New Source Performance Standards (NSPS). The request will be for all NSPS adopted by EPA and in the CFR published July 1 of the previous two years.
	2)	EPA will issue a delegation notice for NSPS within 3 months of receiving a delegation request from DEQ.
	3)	EPA and DEQ will discuss and plan appropriate follow-up actions in response to the Title V Program Review completed in 2006.
		DEQ will track interagency and multi-jurisdictional efforts to better characterize, manage, and minimize the impacts (health, visibility, and nuisance smoke) of prescribed burning activities, including agricultural and forestry practices, with a specific focus on programs in Eastern Oregon.
	4)	EPA will periodically convene meetings with local, state, federal, and tribal agencies in the Northwest with an interest in prescribed fire, smoke, and air quality issues, including a focus in Eastern Oregon and implementation of EPA's Federal Air Rules on Reservations (FARR).
	5)	DEQ will enhance the vehicle inspection program by piloting self-service testing and mail-in/internet testing to evaluate for added customer service value.
	6)	DEQ will implement the Oregon Low Emission Vehicle Program. During this PPA period, activities will include outreach to automobile dealers and developing a compliance verification program.
	7)	DEQ will coordinate with ODA and stakeholders to ensure that Oregon statutes related to air quality and agricultural operations are consistent with the requirements of the Clean Air Act.
Ongoing Activities	1)	DEQ will continue to implement permitting process streamlining strategies, and partner with EPA to improve both ACDP and Title V regulatory processes.
	2)	DEQ will continue to implement the Title V Permitting Program.
	3)	DEQ and EPA will conduct their mutual responsibilities to the TV permit program as outlined in the TV Implementation Plan.
	4)	DEQ will continue to implement the Air Contaminant Discharge Permit (ACDP) Permitting Program.
	5)	DEQ will incorporate the Clean Air Action Day Program and PM2.5 forecasting into a single year-around program know as the Air Pollution Advisory Program. In the summer, ozone pollution advisories will be issued in Portland, Salem and Medford. The rest of the year PM 2.5 advisories will be issued in Portland.
	6)	DEQ will forecast PM 2.5 in Portland year round.

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	7) DEQ will continue to support businesses through the small business assistance program.
	8) DEQ will implement the Vehicle Inspection Program in the Portland and Medford areas.
	9) EPA will partner with DEQ to further develop implementation strategies for NSPS and National Emission Standards for Hazardous Air Pollutants (NESHAP) Programs, and clarify roles affected by delegation issues.
	10) DEQ will implement the Open Burning program, responding only to high priority burning events and those requiring enforcement actions.
	11) DEQ will implement the Employee Commute Options program in the Portland Air Quality Maintenance Area (AQMA).
	12) DEQ will implement the oxyfuels program in the Portland AQMA through October 31, 2007.
	13) DEQ will implement the Stage I and Stage II vapor recovery programs.
Reporting	1) DEQ will continue to submit to EPA: NSR/PSD applications, incomplete application letters, updated application information, technical analysis, draft permits, and final permits.
	2) DEQ will enter RACT/BACT/LAER determinations into Clearinghouse database within 90 days of permit issuance.
Objective 3: Limit public exposure to toxic air pollution.	
OUTCOME MEASURES • The National Emission Inventory (NEI) results will show a decrease in emissions over time. • Percentage of Oregonians living in areas where excess lifetime cancer risk from individual air toxics is below ten in a million, and there is no risk of serious adverse health effects. • Diesel emissions are reduced by 160 tons/year beginning in 2007.	
Outputs	***National Emission Standards for Hazardous Air Pollutants (NESHAP) Program***
	1) At a minimum, DEQ will submit a NESHAP delegation request to EPA in April of each odd numbered year. The request will be for all NESHAPS adopted by EPA and in the CFR published July 1 of the previous two years.
	2) EPA will process NESHAP delegation requests within three months after they are received.
	Air Toxics Monitoring
	1) DEQ and EPA will work together to obtain funding for air toxics monitoring in the Portland area and in other parts of Oregon.
	2) DEQ will establish, operate and maintain air toxics monitors as resources allow.
	3) DEQ will continue the Portland Toxics Monitor Millennium site in Portland on North Roselawn as federal funding permits.
	Diesel

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	1) DEQ will implement the Oregon Clean Diesel Initiative with a continuing focus on promoting the use of ultra low sulfur diesel and other cleaner fuels in applications where its use is not otherwise required; encouraging emergence of clean diesel technology by replacing older equipment with newer, cleaner burning engines; upgrading older engines with advanced pollution controls; and promoting efforts to reduce long duration idling, particularly in locomotives and trucks, with operator education and technology introduction. DEQ will continue to participate in West Coast Diesel Collaborative workgroups to build partnerships that will advance the goals of reducing emissions from diesel engines.
	2) EPA will support Oregon's efforts to implement the Clean Diesel Initiative.
	3) EPA will continue to develop and support the West Coast Clean Diesel Collaborative or federal, state, local, nonprofit and private sector partners to reduce diesel emissions on the west coast.
	4) In Portland, DEQ will pursue reduction activities such as the Clean Diesel Hospital Zones project and the North Portland Diesel Reduction project.
	State Air Toxics Program
	1) DEQ will propose for rule adoption the benchmarks for 49 air toxics by August 2006.
	2) Once the benchmarks are complete, DEQ will continue working with the Air Toxics Science Advisory Committee (ATSAC) to develop the technical implementation guidance for the air toxics program.
	3) DEQ will continue public outreach strategy on the Portland Air Toxics Assessment and risk characterization results in consultation with EPA.
	4) EPA will seek funding to assist DEQ with the Portland outreach strategy including facilitation services and other support.
	Agency-wide Mercury and Toxics Reduction
	1) DEQ's Air Program will work with the rest of the agency on the Willamette River mercury Total Maximum Daily Load (TMDL). Efforts during this PPA period may involve working with air stakeholders to inform them about air deposition during development of the Phase-2 TMDL.
	2) DEQ will work towards adoption of a Clean Air Mercury Rule (CAMR) framework for Oregon by October 2006 and submit mercury allocations by November 17, 2006.
Ongoing Activities	***NESHAPS Program***
	1) DEQ will carry out the asbestos NESHAP: certification, accreditation, notification, inspections, compliance, and enforcement.
	2) DEQ will continue to implement NESHAP rules by incorporating them into permits, providing technical assistance, conducting inspections, evaluating compliance, and taking enforcement actions when necessary.
	3) EPA will process NESHAP delegation requests within three months after they are received.

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	4) EPA will consult with DEQ on applicability determinations, compliance determinations, and other case-by-case issues where EPA needs to make final decisions.
	5) EPA will complete applicability determinations in a timely fashion.
	6) DEQ and EPA will maximize information sharing and explore innovative implementation options for area source Maximum Achievable Control Technologies (MACT).
	State Air Toxics Program
	1) DEQ will update the scientific foundation for the state program including the emission inventory by September 2007, and evaluate monitoring, modeling and risk assessment data.
Reporting	1) DEQ will provide timely toxics monitoring data to EPA's AQS once DEQ's analysis, review, quality assurance and validation of the data is complete.
	2) EPA will continue to provide AIRS support and training to DEQ staff.
Objective 4: Improve visibility in federal Class I Areas, and work to protect visibility in Columbia River Gorge National Scenic Area.	
OUTCOME MEASURES • Improved visibility in the Columbia Gorge National Scenic Area (NSA). • No worsening of visibility on the clearest days in Crater Lake National Park and Oregon's wilderness areas.	
Outputs	1) In consultation with EPA, DEQ will develop a Memorandum of Understanding with the Federal Land Managers (FLM) (Forest and Park Services) to address how Reasonable Attributable Visibility Impairment will be reviewed in light of the Regional Haze SIP. The MOU will be developed by the spring of 2007, when the draft 2007 Regional Haze SIP is expected. The MOU will be an attachment to the SIP, and will distinguish between Reasonable Attributable (RA) Best Available Retrofit Technology (BART) and Regional Haze (RH) BART, representing an agreement by the FLM not to initiate RA BART without first assessing visibility benefits of RH BART under the Regional Haze SIP.
	2) DEQ will oversee the development of meteorological data representing the previous three years. This data will be used with CalPuff modeling to determine the BART status of potentially affected industrial sources for completion of the Oregon Regional Haze SIP by December 2007.
	3) DEQ will model or review submitted Calpuff modeling of BART sources for completion of the Oregon Regional Haze SIP by December 2007
	4) DEQ will submit the Regional Haze Plan to EPA by December 2007. DEQ will likely ask that EPA give the submittal a high priority review, and that EPA expedite approval of any BART requirements.
	5) EPA will review and act on the Regional Haze submittal within 12 months of a complete plan submittal.

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	6)	In fall 2007, DEQ and Washington air agencies will provide the Columbia Gorge Commission with an assessment of visibility impairment in the Gorge and a plan for moving forward on a Gorge air quality strategy. EPA will work with the United States Forest Service (USFS) and tribes to facilitate Tribal Consultation regarding the Columbia River Gorge Visibility Project, and will participate in the stakeholder process.
Ongoing Activities	1)	DEQ will participate with EPA Region 10, WRAP Modeling Committee and the Regional Technical Center in the development and application of emissions data and air quality models, including Congestion Mitigation and Air Quality (CMAQ) for the regional haze rule.
	2)	DEQ will participate in the WRAP Initiatives Oversight Committee (IOC) meetings and conference calls in order to effectively implement the Regional Haze rules.
	3)	DEQ will continue to operate the existing visibility monitoring network.
	4)	EPA will coordinate with neighboring regions when reviewing regional haze SIP submittals.
	5)	DEQ will track emissions to support the 309 SIP.
	6)	EPA and DEQ will continue to participate in and/or track progress and products of the Western Regional Air Partnership's (WRAP) Fire Emission Joint Forum.
Reporting	1)	DEQ will address the visibility SIP review during the Section 308 Regional Haze Plan update in 2007.
Objective 5: Maintain an effective compliance assurance program that contributes to prevention and reduction of pollution and protection of public health.		
OUTCOME MEASURES		
Outputs	1)	EPA will complete the State Compliance Review, including both the State Review Framework and review of the Compliance Monitoring Strategy.
	2)	EPA will keep DEQ informed about plans for the State Compliance Review.
	3)	DEQ will coordinate with EPA to facilitate the State Compliance Review, making data, files and staff available as needed.
	4)	EPA will provide DEQ a draft report of the State Compliance Review. DEQ will have an opportunity to review the draft and submit comments before the report is finalized.
	5)	EPA and DEQ will work together to identify key findings of the State Compliance Review and plan for actions in response to the findings.
Ongoing Activities	1)	DEQ and EPA will periodically review and discuss compliance and enforcement program trends using data from national and state databases and will use such information in adjusting program activities.

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	2)	EPA will keep DEQ informed on national plans for program oversight.
	3)	EPA will be responsible for conducting compliance assistance and enforcement activities in Indian Country, including compliance assurance activities to implement EPA's Federal Air Rules on Reservations.
	4)	EPA will conduct compliance assurance and enforcement activities in support of EPA's National Clean Air Act compliance priorities (Prevention of Significant Deterioration/New Source Review (PSD/NSR) and Air Toxics). As specific plans and activities are identified, EPA will keep the state informed.
	5)	DEQ and EPA will participate in an annual compliance planning meeting. Discussion topics for the meeting will include: work share opportunities, roles and responsibilities, national, regional and state priorities, changes in national guidance, changes in DEQ compliance and enforcement guidance, joint compliance and enforcement activities and planned inspection activities (i.e. mentoring, oversight, joint).
	6)	DEQ and EPA will participate in half yearly conference call to discuss high priority violations, as well as policy and strategy issues.
	7)	Violations detected at major sources will be resolved by DEQ in accordance with the EPA "Timely and Appropriate Enforcement Response Guidance for High Priority Violations."
	8)	The compliance component of the air program will be conducted in accordance with the compliance assurance agreement dated May 2002, including development and implementation of biennial compliance monitoring strategy, with annual update by December 30.
Reporting	1)	DEQ will submit a monthly report on the status of high priority violations.
	2)	DEQ will continue utilizing the universal interface (UI) for monthly reporting of compliance evaluations, compliance certifications, and stack tests. If necessary, DEQ will conduct a special UI upload to AFS for federal second and fourth quarter reportables. DEQ will incorporate enforcement reporting with the UI by Jan 2007.
	3)	DEQ will provide AIRS Facility Subsystem (AFS) data in a timely fashion, completing the annual input by the required timeframe.
	4)	DEQ will continue to enter the applicable Subparts for NSPS, NESHAPS and MACT sources in AFS.
	5)	EPA will continue to provide AFS support and training to DEQ staff.

** This PPA is intended to provide an overview of the entire Air Quality Program. In addition, it provides specific information that serves as the work plan for the Air Quality portion of the Performance Partnership Grant (Section 105 funding) beginning July 1, 2006. The total Air Quality Program FTE is 237 and includes positions funded through Section 105 base grant, Section 105 priority projects, federal PM 2.5 monitoring funds, state General Fund, Title V fees, Air Contaminant Discharge Permit fees, Vehicle Inspection fees, and other miscellaneous revenue sources.

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APPENDIX B: WATER QUALITY PROGRAM COMPONENT

WATER QUALITY PROGRAM

The Oregon Department of Environmental Quality (DEQ) is responsible for protecting Oregon's water. In recent years, state and federal funding for DEQ's clean water work has declined – both in real dollars and in what those dollars buy.

The funding decline, combined with the growing complexity of federal Clean Water Act requirements and costly third party litigation, has eroded DEQ's resources for developing water quality standards, conducting water quality monitoring, developing water quality pollution loads (i.e., Total Maximum Daily Loads or TMDLs), issuing and enforcing permits, and protecting groundwater. Less visible, but just as important, DEQ's Water Quality Program "infrastructure," including its data management systems, has significantly eroded.

In setting priorities, DEQ must consider its resource constraints. The Water Quality Program will focus on five priority areas in 2006 and 2007 so we can maximize our effectiveness in protecting Oregon's water quality.

High-Priority Outcome #1: DEQ delivers on its Blue Ribbon Committee commitments to improve the Water Quality Permit Program.

In 2001, Oregon's backlog of expired water quality permits was the highest in the nation, with about 60% of major National Pollutant Discharge Elimination System (NPDES) individual permits awaiting renewal. The backlog was partly due to the increasing complexity of permitting standards and the expanding permit universe, which increased from 2,700 permittees in 1994 to 4,000 in 2001.

In 2002 DEQ convened a Blue Ribbon Committee to recommend improvements to the state's wastewater permitting program. The Committee's July 2004 report includes the following recommendations:

- Institute Program improvements that promote efficiency, effectiveness and consistency.
- Implement new accountability standards.
- Ensure stable, ongoing funding that improves fee predictability for rate payers and revenue for budget management.

By the end of 2005, DEQ had dramatically reduced the backlog of expired major NPDES permits to 26%. DEQ accomplished this by shifting staff from compliance review and inspections, but this is not a long-term solution. Continuing to improve the permit program is DEQ's top priority for water quality.

Following the Blue Ribbon Committee recommendations, DEQ is:

- Continuing to reduce the water quality permit backlog,
- Implementing the program on a watershed basis,
- Working toward improved compliance reviews and enforcement actions,
- Reinvigorating permit program policy development and improving statewide program guidance,
- Improving data management systems, and
- Instituting quarterly reports on progress.

APPENDIX B: WATER QUALITY PROGRAM COMPONENT

High-Priority Outcome #2: DEQ meets the May 11, 2000, federal Court Order requiring a specific number of TMDLs to be completed by 2008 and 2010.

Clean and healthy water is critical to Oregon's environment and economy. Total Maximum Daily Loads (TMDLs) are clean water plans that tell us how much pollution must be reduced in order for unhealthy waters to meet clean water standards. Governments, citizens and businesses are all responsible for the health of Oregon's rivers, lakes and streams and meeting the targets established in TMDLs.

DEQ's water quality monitoring shows that TMDLs have been very effective in improving water quality. Nine out of the 10 "most improved" waters in Oregon are in watersheds where TMDLs have been adopted and implemented. The agency's TMDL Program will implement the Willamette Basin TMDL, one of the Governor's key environmental priorities. For more information about this clean water plan, visit the Governor's Web site at http://www.governor.oregon.gov/Gov/GNRO/introduction,shtml and the DEQ Web site at http://www.deq.state.or.us/wq/willamette/WRBHome.htm.

DEQ is on target to meet the May 11, 2000, federal court order that resulted from a lawsuit filed by environmental groups against the U.S. Environmental Protection Agency regarding timely completion of TMDLs. TMDLs targeted for completion in 2006 and 2007 are the Willamette, Umpqua, John Day and Rogue basins.

High-Priority Outcome #3: By the end of 2007, DEQ will develop a long-term strategy for ongoing water quality improvements.

The third priority is to look toward the future of water quality in Oregon. What emerging issues should Oregon focus on and invest in? For the short term, DEQ is developing a 2007 budget request to support more monitoring for toxic chemicals in Oregon's waters. By the end of 2007, DEQ will develop recommendations on long-term strategies for water quality improvements. In discussing these priorities, we will continue to involve stakeholders directly affected by our water quality work, as well as the broader public.

High-Priority Outcome #4: The Water Quality Program is a high-performing team.

DEQ is fortunate to have highly skilled staff and managers. Many of our programs (TMDLs, water quality monitoring) are nationally known for their cutting-edge work. The goal of outcome #4 is to continue to build on the existing strengths of program staff and to prepare for the future. We want a Water Quality Program staffed with experts who have high morale and provide excellent customer service. Areas of focus will be performance management, developing staff expertise, and succession planning to ensure that we keep staff and managers, and develop the next generation of leaders for the program.

High-priority Outcome #5: By the end of 2007, DEQ will adopt a Water Quality Strategic Plan for Infrastructure.

Fully functioning and updated water quality data systems are critical to the Water Quality Program's success. DEQ will be developing a Water Quality Strategic Plan for Infrastructure to guide investments to support effective and efficient work performance by staff and managers.

Well-developed and maintained data systems provide easier, faster access to information and high-quality information. Well-run systems also cut down on time wasted looking for dispersed information, provide institutional memory, document decisions and the rationale behind them, and allow quicker response to internal and external requests for information.

APPENDIX B: WATER QUALITY PROGRAM COMPONENT

What does it mean if some work is not identified as a high-priority outcome?

While all of DEQ's clean water work is important, our goal is to deliver results for our priority outcomes. If doing other important work means we will not be able to deliver on the priority outcomes, DEQ will re-evaluate our commitments. Some important work may be delayed in order to accomplish these five high-priority outcomes.

Goals of the high-priority outcome work

- Provide focus on work that will protect and improve Oregon's water quality.
- The Water Quality Program is staffed with experts who have high morale and provide excellent customer service.
- The Program continually improves and becomes more efficient due to appropriate and timely investments such as data management systems.
- The Program addresses emerging water quality issues in Oregon before those issues become a crisis (either real or perceived).
- The Program performs its core regulatory functions efficiently and effectively.
- The Program recognizes that regulation can prevent the worst but may not achieve the best, and develops partnerships, incentives and "beyond regulation" approaches to protecting Oregon's water.

Appendix B: Water Quality Component

Total DEQ FTE for this Component: 163.6
Of this total, # of FTE supported by the PPG: 51

Element 1: Water Quality Standards and Assessment

DEQ contact: Bob Baumgartner
EPA contact: Jannine Jennings

Establishing water quality standards for waters of the United States in Oregon is at the core of DEQ's water quality activities. Standards include beneficial uses of water, such as drinking, aquatic life, recreation, etc, and the water quality criteria designed to protect those uses. The Water Quality Program then acts to protect and restore water quality by implementing those standards. The staff who work on standards perform the following activities:

- Conduct triennial standards reviews to establish and update scientifically based water quality standards and related policies.
- Develop and maintain internal directives for and provide guidance to regional and headquarters staff on implementation of water quality standards in various water programs.
- Identify waterbodies not meeting water quality standards.
- Develop integrated reports (303(d) list, 305(b) report).

Environmental Outcome: Adoption and application of appropriate water quality standards will contribute to protection of the beneficial uses of Oregon's waterbodies and water quality improvements as measured by ambient water quality monitoring and the Oregon Water Quality Index (OWQI).

#	DEQ Commitment	EPA Commitment	Outputs	Target Date	Supported by PPG?	EPA PAM	Comments
1.1	Strategic planning process for next triennial standards review. Document standards to review, scope of review, process and timeline. Develop issue paper outlines and begin to identify alternatives, implementation requirements and associated policy and technical issues.	Specific description of existing federal guidance and basis for approval/disapproval based on published federal guidelines. Describe approval of other state standards for selected parameters. Review and input on standards issue papers per agreed upon schedule.	Water Quality Standards Review Work plan to take to public process in 2008.	9/30/07	Yes	WQ-5	Develop and open project for the triennial review. The end product should identify scope of policy and technical review, existing federal requirements for approval.
1.2	Update guidance and protocols for Use Attainability Analysis, and site specific criteria. Incorporate information from EPA describing Federal process in the State draft provided for internal management review.	EPA will coordinate with other federal agencies to develop process for federally proposed UAA/SSC. This process will document a common set of expectations for EPA review and action. This process will document common set of expectations for EPA approval for UAAs initiated by federal agencies. EPA will provide staff to facilitate development of this process and provide review and guidance on methodologies and interim products throughout development of UAA/SSC.	Document procedures and findings necessary for a UAA, site specific standard, or variance that when submitted by State would contain elements necessary for timely EPA action. Finalize after EPA provides comments.	7/06 (DEQ will submit)	Yes		The guidance will need to cover a wide variety of potential issues and scales, from minor changes to use designation on fish use maps to major UAAs for large regulated rivers. DEQ will update internal guidance based on recent internal review. DEQ will update internal guidance once federal agencies provide agreed upon process.

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#	DEQ Commitment	EPA Commitment	Outputs	Target Date	Supported by PPG?	EPA PAM	Comments
1.3	Strategic planning for review of human health criteria, fish consumption rates.	EPA will provide support for review. The level of technical and financial support is under negotiation. EPA will provide the State with information regarding national policy and recommended fish consumption rates. The USEPA will describe and explain how the fish consumption rates identified by EPA were developed and how they reflect National guidance or recommendations for regional guidance.	DEQ: Project workplan describing scope, process and timeline for initiating the triennial standards review including the fish consumption rates used for standards. Draft issue paper describing the range of alternatives to be considered to initiate public process in 2008. EPA: Technical support documents, clarification of federal guidance for toxics criteria development.	06/08	Yes		
1.4	Technical support for litigation including: temperature, toxics and human health criteria, other Division 41 rules and the civil rights complaint. DEQ will provide background and supporting information developed during standards review, affidavits, declarations and depositions as warranted.	EPA will establish work plan which identifies information needed, and schedule for developing information, administer meetings.	Defense of approved standards, clear definition of standards modification needed for approval, time schedule for incorporating updates in next triennial review.	Indeterminate at this time	Yes		Time schedules, workload and results indeterminate and not under agency control. We will need to adjust schedules and expectations depending on results.
1.5	Describe through a letter current process for addressing nutrient control, including TMDLs. Continue to track development of federal guidance for nutrients – if time allows (toxics and turbidity revisions highest priority).	EPA will provide response to letter as to consistency with requirements for State Nutrient Criteria Development Plans.	Documentation of nutrient TMDLs and implementation. TMDL schedule for waters listed for nutrients on the 303D list.	07/06	Yes	WQ-2	Nutrient TMDLs are designed to establish basin specific targets, to ensure that water quality criteria that directly influence the beneficial uses (dissolved oxygen, pH etc) are attained.
1.6	Compliance schedule, stratified water rule approval.	EPA will approve or identity alternatives within specified time frames for the proposed rule. EPA will provide draft correspondence to DEQ describing alternative strategies, alternative language, or approval conditions. EPA will provide DEQ with a reasonable time frame for responding to comments prior to finalizing any decision on approval.	Approved rule, or draft letter explaining rational for disapproval and elements needed for approval. EPA and DEQ will establish any further review consistent with triennial standards review update (1.1 above)	07/06	Yes	WQ-6	

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#	DEQ Commitment	EPA Commitment	Outputs	Target Date	Supported by PPG?	EPA PAM	Comments
1.7	Proposed revisions to temperature narrative criteria and Division 41 errata corrections to EQC.	EPA will discuss any concerns with DEQ prior to EQC adoption. EPA will identify existing federal guidance, and ensure that proposed changes or alternatives are identified that are consistent with EPA requirements.	Revised rule language and use designation maps.	10/06	Yes	WQ-6	Focused on correcting cross reference, housekeeping errors in rule language.
1.8	Update 303 (d) list as part of the Integrated Report.	EPA review and approval. EPA approval prior to public comments period and ensure list approvable.	Approved 303D list.	9/06	Yes	WQ-8	List update

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Element 2 : TMDLS

DEQ contact: Gene Foster
EPA contact: Christine Psyk

Total Maximum Daily Loads (TMDLs) and Water Quality Management Plans

The federal Clean Water Act requires that water pollutant budgets, called TMDLs, be developed for waterbodies that do not meet water quality standards. TMDLs describe the maximum amount of pollutants from municipal, industrial, commercial and surface runoff sources, including natural background, which can enter the river or stream without violating water quality standards. These estimates are required for waterbodies that have been identified as in violation of one or more water quality standards at some time, and have been included on one of DEQ's 303d lists of water quality limited waterbodies.

Oregon's 303(d) list and TMDL process were the subject of lawsuits brought by environmental groups. Under a consent order signed in 2000, EPA has agreed to a timeline that will ensure Oregon will complete 1153 TMDLs for waterbodies listed on the 1998 303(d) list by the end of 2010. This schedule is further memorialized in a Memorandum of Agreement between DEQ and EPA signed in 2000.

DEQ develops TMDLs on a basin or subbasin scale (generally on a 3rd field US Geological Survey Hydrologic Unit Code or smaller). All 303(d) listed pollutants are included in these assessments using a comprehensive approach. The TMDL Program develops total maximum daily loads for subbasins around the state. These TMDLs address all sources of pollutants when determining allocations of loading. These allocations are developed through water quality analysis, statistical analysis, and mathematical modeling. Staff in the program conduct all facets of work in collecting, analyzing and presenting results. Staff will also perform public and stakeholder outreach to ensure input when decisions are being made. The combination of outreach and development provides for the transition from development of loading allocations to implementation in permits and watershed plans

TMDLs load limits are implemented through waste limits in permits for point source discharges, and as planning targets for other designated management agencies. DEQ staff actively implement TMDLs by:

- Revising industrial and municipal wastewater permits to incorporate revised permit limits.
- Working with local communities and the Oregon Department of Agriculture through the SB 1010 process to implement the TMDLs effectively on agricultural lands.
- Working with the Oregon Department of Forestry, for implementation on state and private forestlands, through the Oregon Forest Practices Act and long range management plans.
- Assisting local governments in developing TMDL Implementation plans for urban areas.
- Working with the U.S. Forest Service and the Bureau of Land Management on developing water quality restoration plans for lands under their jurisdiction.

Under most circumstances, TMDL Implementation plans for improved water quality rely on cooperation among landowners and land managers within a river basin. Local watershed councils, Soil and Water Conservation Districts or other organizations will serve as community-based coordination points for these united efforts. Agencies and municipalities with jurisdiction over sources of nonpoint source pollution are required to submit TMDL implementation plans to DEQ. These plans describe actions that will be taken to reduce their contribution to Water Quality problems.

DEQ has defined development of TMDLs as a High Priority Outcome for the Water Quality Division. DEQ has committed to meet the Consent Decree requiring that specific target numbers of TMDLs be completed by 2008 and by 2010. We have defined a parallel goal that, by 2008, there will be a general recognition of the importance of TMDLs and their implementation for water quality protection and restoration.

Environmental Outcome: Development and implementation of TMDLs will contribute to protection of the beneficial uses of Oregon's waterbodies and water quality improvements as measured by ambient water quality monitoring and the Oregon Water Quality Index (OWQI).

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#	DEQ Commitment	EPA Commitment	Outputs	Target Date	Supported by PPG?	EPA PAM	Comments
2.1	Develop TMDLs and WQMPs in accordance with 303(d) List schedule, the February 2000 Memorandum of Agreement between DEQ and EPA and the July 26, 2000 Federal District Court Consent Decree.	Technical Assistance; Review and approve	In 2006 DEQ plans to submit to EPA for approval at least the following TMDLs: - Willamette - Umpqua - Upper Klamath - Lost River In 2007 DEQ plans to submit to EPA for approval at least the following TMDLs: - Rogue - John Day	2006 2007	Yes	WQ-12	
2.2	Implement TMDL Wasteload Allocations in NPDES permits through collaboration with NPDES permit writers.		Pollutant Discharge Limits that will meet WLAs for each permitted discharge.	Ongoing	Yes		
2.3	Implement the Willamette River Basin TMDL. Work with watershed councils, local governments, and other DMAs to develop appropriate management practices and plans for controlling pollutants to the Willamette River.		Completed Implementation plans throughout Willamette Basin that guide management practices, pollutant controls to meet load allocations in TMDLs. Facilitate projects that result in improvements in water quality.	Ongoing	Yes	WQ-27 WQ-15	
2.4	Implement the Willamette Mercury TMDL (Phase I) using DEQ's Mercury Reduction Strategy and mercury source characterization work to help identify priorities and strategies. Work with stakeholders to identify sources and implement strategies to reduce the use of mercury and increase the amount of mercury that is safely managed or disposed.		Complete characterization of mercury sources in Willamette basin and data required for final monitoring.	Ongoing	Yes	WQ-15	This work is dependant upon award of competitive Extramural Funding for mercury analysis and mercury minimization planning.
2.5	Implement TMDLs for Nonpoint Sources in subbasins where TMDLs/WQMPs have been completed.		Completed Implementation plans throughout Willamette Basin that guide management practices, pollutant controls to meet load allocations in TMDLs. Facilitate projects that result in improvements in water quality.		Yes	WQ-15	

Appendix B: Water Quality Component

Element 3: Underground Injection Control

DEQ contacts: Mary Sue Gilliand
EPA contacts: Wally Moon

Underground Injection Control Program

The Underground Injection Control (UIC) program protects drinking water sources and aquifers by providing oversight on the use of injection systems (dry wells, sumps, large onsite sewage systems, etc.) that discharge to the subsurface and may endanger groundwater quality. Federal regulation requires DEQ to keep an updated inventory of all injection wells and report them to the EPA. In Oregon the majority of injection systems are associated with storm water discharge and industrial process/wastewater. Injection systems qualify as rule authorized, are exempt from requirements, or are required to acquire a WPCF permit. DEQ staff review and approve applications of a variety of injection system types, provide technical assistance to private and public injection well owners, and work closely with municipalities in their development of stormwater management plans related to injection systems. As a delegated program under the Safe Drinking Water Act, injection systems are subject to EPA enforcement.

Environmental Outcome: These activities help to ensure that adequate controls are in place so that UICs do not result in water quality standards violations, which will contribute to water quality improvements as measured by ambient water quality monitoring and the OWQI.

#	DEQ Commitment	EPA Commitment	Outputs	Target Date	Supported by PPG?	EPA PAM	Comments
3.1	Continue administration of UIC program by giving priority to high-risk facilities such as automotive drains, industrial facilities that are associated with hazardous substances and facilities which manage high volumes of storm water injection (e.g. municipalities or businesses with several large parking lots); and timely closing of endangering UICs.	EPA will provide enforcement and compliance assistance as requested by and in close coordination with DEQ. EPA will provide assistance to DEQ in digitizing DEQ's entire UIC database, and will provide updates every 6 months or as necessary.	350 wells inventoried and registered per year; rule authorization determination process (e.g. requesting additional information, providing clarification on application issues, rule authorizing) will occur for approximately 90% of these systems. This includes working with ODOT on their maintenance facility UIC closures per the EPA MOU.	6/30/08	Yes	SDW-12, SDW-13, SDW-14, SDW-15	DEQ anticipates organizational shifts within its Water Quality program. A potential shift may involve combining DEQ UIC and stormwater efforts in order to better serve the regulated community and provide for the most efficient use of resources.
3.2	Provide technical assistance and education and outreach to consultants, cities, municipalities, and other public and private UIC owners.	EPA will provide inspector training opportunities; provide training/outreach to municipalities and other public and private UIC owners, as requested.	Outreach and education activities may include presentations, meetings, and distribution of literature.	6/30/08	Yes		
3.3	Submit reauthorization application for UIC delegation.	EPA will provide timely review of receipt of application package. EPA and DEQ will negotiate a workable turnaround time for review.	Submit reauthorization application upon state representational issue resolution.		Yes		The UIC Element #3 may need to be revised pending funding resolution being negotiated at the state level by mid-year 2006. UIC primacy is at risk if DEQ does not obtain additional stakeholder or state monies to support the work.

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Element 4: Groundwater Program

DEQ contact: Mary Sue Gilliand
EPA contact: Eric Winiecki

Groundwater Program

The Groundwater Quality Protection Act of 1989 provides the framework for comprehensive groundwater management and protection in Oregon. This Act and the federal Safe Drinking Water Act establish the critical elements for enhancing and protecting Oregon's groundwater resource for its many beneficial uses. Over ninety percent of Oregon's available freshwater is stored beneath the earth's surface as groundwater. Seventy percent of Oregon's people depend on groundwater for their daily water needs via private, public, and industrial water wells.

Oregon focuses most of its groundwater protection activities in three sensitive groundwater areas called "Groundwater Management Areas".; one is located in the Lower Umatilla Basin, one in Northern Malheur County, and another in the Southern Willamette Valley. Protection efforts in these management areas involve, the implementation of groundwater management plans where the water quality has been degraded, beneficial uses are seriously impaired, and public health may be at risk in part from nonpoint source groundwater pollution. Oregon also undertakes statewide groundwater assessment and provides technical assistance to communities and watershed councils engaged in groundwater pollution prevention efforts.

Environmental Outcome: Groundwater protection efforts will help to prevent the degradation of Oregon's groundwater resources, as measured through the various groundwater monitoring efforts DEQ conducts around the state.

#	DEQ Commitment	EPA Commitment	Outputs	Target Date	Supported by PPG?	EPA PAM	Comments
4.1	Develop guidance for implementing groundwater quality protection and restoration for water quality programs.	EPA will provide technical support regarding federal groundwater standards overlay with state guidance, as requested.	Complete the draft Internal Management Directive guidance on the sub-surface discharge of treated domestic effluent.	12/2006	Yes		
4.2	Implement the Lower Umatilla Basin Groundwater Management Area action plan.	EPA will provide groundwater quality data from 2004 research study.	- Continued monitoring on bimonthly basis for parameters specified in the action plan. - Meetings with local stakeholders, Groundwater Management Committee, and local agencies. - Complete progress report. - Complete groundwater trend analysis for food processor sites.	Bimonthly Monitoring 2 meetings/year 2006	Yes		Continue ambient groundwater sampling in support of the GWMA and continue implementation per the action plan.

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#	DEQ Commitment	EPA Commitment	Outputs	Target Date	Supported by PPG?	EPA PAM	Comments
4.3	Implement the Northern Malheur County Groundwater Management Area action plan.	EPA will provide technical support as needed.	- Continued monitoring on bimonthly basis for parameters specified in the action plan. - Meetings with local stakeholders, Groundwater Management Committee, and local agencies. - Implement recommendations of the 2003 Evaluation of Action Plan.	Bimonthly monitoring. 2 meetings/year 2006	Yes		Continue ambient groundwater sampling in support of the GWMA and continue implementation per the action plan.
4.4	Implement the Southern Willamette Valley Groundwater Management Area action plan.	EPA will provide technical support as needed.	- Meetings with local stakeholders, Groundwater Management Committee, and local agencies. - Action Plan Developed - Start of Implementation of Action Plan	Bimonthly meetings until action plan developed, then 2 meetings/year 12/06 6/07	Yes		
4.5	Complete federal and state groundwater reporting requirements.		- Biennial Report to the legislature. - Groundwater component of 305(b) report.	12/2006 As scheduled	Yes		
4.6	Participate in EPA-sponsored annual groundwater meetings and conferences as workload and resources allow.	EPA will provide timely notice and organization of meetings.	Meetings	As scheduled	Yes		

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Element 5: WQ Permitting, Pretreatment and 401 Certifications

DEQ contact: Annette Liebe
EPA contact: Susan Poulsom

Industrial and Domestic Wastewater Permitting

DEQ's wastewater management program regulates and minimizes adverse impacts of pollution on Oregon's waters from point sources of pollution. The term "point source" generally refers to wastewater discharged into water or onto land though a pipe or a discernible channel. These point sources operate under the terms of a federal National Pollutant Discharge Elimination System (NPDES) or state Water Pollution Control Facilities (WPCF) wastewater discharge permit issued by DEQ.

DEQ has had authority for NPDES permit issuance since 1974. As a delegated program, DEQ's NPDES permitting activities are subject to EPA oversight. Effective implementation of the program is required for continued delegation of the water quality program and is essential to the continued receipt of federal program funds. To effectively protect water quality, DEQ must carry out four activities:

- Issue discharge permits that adequately evaluate and limit pollutant discharges to prevent an impact on receiving waters and the beneficial uses of those waters (drinking, swimming, fishing, aquatic habitat, etc.).
- Periodically inspect facilities and review monitoring results.
- Take prompt and appropriate enforcement actions when violations occur.
- Give essential technical assistance for facility owners and operators to help assure ongoing compliance at minimum expense to permit holders.

DEQ currently manages about 4,500 water quality permits including 3,000 federal National Pollutant Discharge Elimination System (NPDES) permits and 1,500 State Water Pollution Control Facility (WPCF) permits.

Due to the increasing number of permitted facilities and the increasing complexity of permitting standards, DEQ's permitting program developed a permit backlog. A "Blue Ribbon Committee" was convened in 2002 to assist DEQ in identifying improvements to the wastewater program. Since then, DEQ made significant progress in reducing the permit backlog of major NPDES individual permits from 60% in 2001 to 26% at the end of 2005. The overall permit backlog, which includes all individual and general WPCF and NPDES permits, was 37% at the end of 2005.

Delivering on the Blue Ribbon Committee's recommendations is one of DEQ's High Priority Outcomes. DEQ's top priority over the next three years is to implement the plan that has been developed based on the recommendations from the Blue Ribbon Committee for reducing the permit backlog, improving enforcement, and improving the permit program "infrastructure" which provides support and guidance for timely permit issuance. Meeting this plan will require all of our existing resources, but we believe that it will result in DEQ effectively and efficiently fulfilling its responsibilities under state and federal law to protect Oregon's water quality. Specifically:

- Permits issued by watershed, for an improved emphasis on key water quality concerns and a more holistic approach to discharge effects on watersheds.
- Improved accountability including annual permit issuance plans and tracking and individual performance expectations.
- The wastewater permit backlog will be reduced to less than 10% by the end of 2007
- Timely review of compliance data and improved compliance inspections.

Biosolids Program–Mary Sue Gilliand

Biosolids are wastewater solids that have undergone sufficient treatment to make them safe for land application. These wastewater residuals are desirable fertilizers and soil conditioners. DEQ works with domestic wastewater treatment facilities to assure proper stabilization, application, management, and monitoring of solids on sites used to improve soil tilth and to grow a variety of crops. Biosolids applications are controlled by detailed site authorization letters which, together with biosolids management plans, are linked directly to the Water Quality permits of wastewater treatment facilities.

Wastewater Reuse–Mary Sue Gilliand

DEQ staff work with municipal and industrial wastewater facilities to permit the recycling of treated wastewater effluent and provide technical assistance to those facilities engaged in the practice of reuse. Wastewater reuse is a tool in the "tool box" for municipalities and potentially industrial wastewater dischargers as another option for managing their treated wastewater. Having additional "tools" provides these stakeholders with options that may be more economical and/or environmentally sound, and can be an additional source of water for non-drinking water practices. Most wastewater reuse occurs through land application to crops and golf courses, and there is increasing interest to reuse treated effluent for industrial and commercial applications. DEQ works with the Department of Human Services – Health Services Division and Water Resources Department on the permitting of this practice.

401 Water Quality Certification–Sally Puent

Section 401 of the federal Clean Water Act requires that any federal license or permit to conduct an activity that may result in a discharge to waters of the State receive certification from DEQ that the activity complies with water quality requirements and standards before the activity is allowed. In order to provide a certification, DEQ reviews proposed project applications to dredge, fill, or otherwise alter a waterway or wetland to ensure that the projects will meet water quality program requirements. The federal relicensing of hydroelectric projects also requires a 401 water quality certification (WQC) from DEQ as a condition of the operating license of the facility.

For dredge and fill projects, DEQ issues approximately 150 individual WQCs per year that contain conditions which provide protective measures for water quality and beneficial uses. DEQ also participates in a number of pre-application meetings, site visits and public presentations to provide early input to applicants regarding DEQ's expectations and requirements for proposed projects. DEQ provides support for EPA reviews of 401 water quality certification program activities related to proposed dredge and fill projects. Additionally, DEQ provides a great deal of technical assistance throughout the permit process. DEQ also issues programmatic type WQCs which cover groups of activities with protective conditions in an effort to provide a streamlined approach to the regulatory process. The 401 program is responsible for monitoring implementation of the WQCs issued to insure compliance with and effectiveness of conditions, as well as initiating enforcement actions on activities which result in violations to water quality standards.

During the course of this PPA, EPA may allocate funds that could be used to enhance the State's 401 program. DEQ will work with EPA to identify any potential for requesting specific funding from EPA to enhance 401 reviews, oversight and field reviews consistent with existing program objectives. EPA will notify DEQ of any potential funding opportunities and respond to any DEQ request for additional funding.

Environmental Outcome: These activities help to ensure that adequate controls are in place so that point source discharges, dredge and fill activities and the recertification of hydroelectric projects do not result in water quality standards violations and will contribute to water quality improvements as measured by ambient water quality monitoring and the OWQI.

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#	DEQ Commitment	EPA Commitment	Outputs	Target Date	Supported by PPG?	EPA PAM	Comments
5.1	Continue to issue and reissue NPDES and WPCF permits. There are approximately 1100 individual permittees in Oregon, including 78 NPDES majors and 286 NPDES minors.	On an annual basis, EPA will select permits that it will review. EPA review will occur prior to public notice of those permits.	Develop and implement a plan that identifies specific NPDES permits intended to be reissued during each year of this agreement, including "priority permits". By the end of calendar year 2007 90 percent of individual NPDES permits will be current. By the end of calendar year 2009 90 percent of the facilities covered under industrial waste water general permits will be under current permits.	 12/07 12/09	Yes	WQ-19 WQ-30	DEQ's goal is to issue 95% of "priority permits" each year. EPA will work with DEQ on permit selection for EPA review with an emphasis on those permits implementing water-quality based limitations and/or meeting temperature standards. EPA's goal is to have 90% of the facilities that are covered under industrial waste water general permits under current permits by the end of this PPA cycle. DEQ would need additional resources to meet the goal within that timeframe.
5.2	Develop and implement a watershed based permit issuance plan.		By the end of 2010, 95 percent of permits will be issued on a watershed cycle.		Yes	WQ-32	
5.3	Develop state-wide permit policies, guidance and tools to make the permits program more consistent, effective and efficient.	Technical Assistance (TA); EPA timely review and comment on draft policies and guidance; and other program support as needed. EPA will participate in the development of the IMD for control of SSOs.	Develop Internal Management Directives for: - Temperature standard implementation - Establishing mixing zones - Wet weather; bacteria and SSO - Industrial permit wizard - Establish a Dispute Resolution Process - Develop fee rulemakings - Subsurface Discharge IMD - Reclaimed water IMD - Industrial Solids IMD Conduct permit writer's workshop Use of compliance schedules and MAOs in the permit program.	06/30/08	Yes		

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#	DEQ Commitment	EPA Commitment	Outputs	Target Date	Supported by PPG?	EPA PAM	Comments
5.4	Permits shall include water-quality based effluent limits (WQBELs) as needed.	Provide technical advice and guidance to State.	WQBELs are included in permits where reasonable potential is found. Fact Sheets document reasonable potential and WQBELs.	Ongoing	Yes		
5.5	Implement State stormwater program.		- Conduct compliance activities on Phase I permittees. - Issue (18) Phase II MS4 stormwater permits. - Reissue and implement 1200COLS; 1200A and 1200Z permits. - Work with local govt. agencies to assist DEQ in program implementation. - -Inspect stormwater permits in response to complaints.		Yes	WQ-20 WQ-21	
5.6	Coordinate State permit actions with interested tribal agencies as appropriate.	Liaison role as needed.	Improved relations with affected tribes.	06/30/08	Yes		
5.7	DEQ will conduct effluent reuse activities.	EPA will review draft water reuse rules (OAR 340-055) as requested by DEQ.	DEQ will complete revisions to state water reuse regulation (OAR 340-055 – Reclaimed Water).	12/30/07	Yes		EPA R10 will involve the interested offices of EPA HQ in the review of the draft rules.
5.8	DEQ will conduct biosolids/sewage sludge activities.	EPA will provide TA; timely program support as needed.	- Review approximately 25 biosolids management plans each year. - Issue approximately 75 land application site authorization letters each year. - Provide TA and program oversight from each DEQ regional office and HQ.	6/30/08 6/30/08	Yes		The exact number of plan and site review depends on number of requests from municipal facilities.
5.9	Revise the EPA/DEQ water quality memorandum of agreement (MOA) re the NPDES and Pretreatment programs.	EPA will take the lead in revising the MOA. DEQ will review and comment and provide other assistance as available.	Revised final MOA.		Yes		

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#	DEQ Commitment	EPA Commitment	Outputs	Target Date	Supported by PPG?	EPA PAM	Comments
5.10	Implement the Pretreatment Program.		Conduct a total of 11 pretreatment audits.	6/30/08	Yes	WQ-22	
5.11	Ensure appropriate controls are placed on combined sewer overflows (CSOs).		Reissue the Portland Permit. Transmit a status report on CSO corrective actions under the mutual agreement orders.		Yes	SS-2	
5.12	DEQ will participate in Government Performance and Results Act (GPRA) reporting.	EPA will provide a list of items to be reported under the NPDES permit program by July 1 of each year along with the due dates for each item.	DEQ will provide information required under the GPRA (resources permitting).	6/30/08	Yes	PAMs are under GPRA	The information will be fed into the national program reporting system. More information on GPRA reporting can be found at www.epa.gov/ocfo/planning/gpra.htm
5.13	DEQ will coordinate with EPA to participate in the State Review Framework.	EPA will complete the State Review Framework.	DEQ will facilitate this review by providing data, making files and providing adequate staff to complete this project.	Early 2007	Yes		

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Element 6: Compliance Assurance and Enforcement DEQ contact: Annette Liebe EPA contact: Kim Ogle							
Environmental Outcome: Compliance assistance and enforcement activities are critical components of an effective wastewater permitting program, which will contribute to water quality improvements as measured by ambient water quality monitoring and the OWQI.							
#	**DEQ Commitment**	**EPA Commitment**	**Outputs**	**Target Date**	**Supported by PPG?**	**EPA PAM**	**Comments**
6.1	DEQ will conduct compliance assistance and compliance assurance activities as appropriate (see additional detail below).	TA and support as needed.	- TA provided to permittees. - DMRs from individual permittees reviewed. - Compliance data stored in database (see additional details in Data Management Section, Component 9).	06/30/08	Yes		
6.2	DEQ will respond to significant public complaints.	TA and support as needed.	- Prompt response to complaints that involve potential significant threats to public health and the environment. - Investigate spills. - Enforcement actions as warranted.	Ongoing	Yes		
6.3	DEQ will inspect point source (NPDES) facilities.	As resources allow, Region may schedule joint oversight inspections with DEQ.	Inspect all major sources every year and minor sources within the sub-basins included for that year in the permit issuance plan. Submit inspection plan to EPA Region 10.	6/30/07 and 6/30/08 (inspection plan submittal)	Yes	CWA-01	DEQ reserves the right to substitute minor facility inspections in place of major facility inspections at the appropriate ratio (2:1) to make the watershed plan work (i.e., balance the workload based on inspection resources). DEQ will create a 2006 watershed inspection plan for collaborative EPA inspections this summer.
6.4	DEQ will pursue timely and appropriate enforcement actions as warranted.	TA and program support as needed.	Formal enforcement actions taken pursuant to state law and rule.	Ongoing	Yes		
6.5	DEQ will participate in EPA collaborative planning and enforcement initiatives as resources allow.	TA and program support.	- NPDES MOA and Compliance Assurance Principles Agreement revisions as needed. - Joint planning and enforcement case coordination.	6/30/08	Yes		

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#	DEQ Commitment	EPA Commitment	Outputs	Target Date	Supported by PPG?	EPA PAM	Comments
6.6	DEQ will report on its compliance activities.	DEQ will develop in house understanding of PCS using a cooperative agreement with EPA OECA and Office of Wastewater Management. DEQ will enter PCS data as soon as possible through January 2008. If additional resources can not be acquired to continue this activity beyond January 2008, EPA and DEQ will renegotiate what other work can not be accomplished.	Report summary of minor facility noncompliance annually.		Yes		
6.7	DEQ will report on its enforcement activities.		DEQ will submit summary level data on enforcement annually to EPA.		Yes		

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Element 7: WQ Data Analysis, Management and Monitoring

DEQ contact: Dave Kingsella (data) and Greg Pettit (monitoring)
EPA contact: Jeannine Brown (data) and Gretchen Hayslip (monitoring)

Water Quality Monitoring

Water quality monitoring and assessment provides the foundation for effective water quality management. Water quality monitoring programs provide information on the status and trends of water quality in Oregon and the causes of impairment. Monitoring is conducted to determine if water quality supports beneficial uses and if standards are met. Streams that do not meet water quality standards are placed on the 303d list and will have TMDLs developed for them. In order to develop TMDLs studies must be conducted to determine the sources and loads of pollutants affecting the water body and how those vary over time and space. DEQ is engaged in several other types of monitoring studies, including the following:

- Studies to determine the relationship between water quality, habitat conditions and biological condition.
- Compliance monitoring studies to determine compliance with permit conditions.
- Studies to determine threats to human and ecological health from toxic compounds.

The Laboratory also collects water samples and analyzes the results to support other DEQ programs respond to inquiries from the public. In addition, the Laboratory certifies environmental laboratories in cooperation with the Oregon Department of Agriculture and Oregon Health Services under the National Laboratory Accreditation Program (NELAP). The Laboratory works with other agencies to monitor Oregon's progress under the Oregon Plan for Salmon and Watersheds and provides equipment and technical support to watershed councils for water quality monitoring.

Water quality monitoring is necessary to understand how well Oregon is protecting the uses of its water. DEQ monitors water quality by collecting water quality samples, and then performing chemical analysis and statistical analysis of the resulting data. The Water Quality Program is responsible for monitoring and assessing Oregon's 52,000, miles of rivers, 400,000 acres of lakes, 56,000 acres of tidal wetlands, 360 miles of coastal ocean and 206 square miles of estuaries, harbors and bays. DEQ augments its water quality data by using monitoring data from a wide variety of sources, including watershed councils and federal agencies. However, all data must first be reviewed to ensure proper quality control protocols were used.

Environmental Outcome: Effective management and analysis of water quality data provides a means for tracking and assessing the effectiveness of water quality protection and improvement efforts, supporting an adaptive management approach that will result in water quality improvements as measured through ambient water quality monitoring and the OWQI.

#	DEQ Commitment	EPA Commitment	Outputs	Target Date	Supported by PPG?	EPA PAM	Comments
7.1	DEQ will pursue a data system that has an interface capability with EPA's ICIS-NPDES. DEQ will work with EPA to contract in order to receive PCS training and assist with PCS data entry.	As needed, seek federal funding to complete.	- Populate the PCS data system with WENDB elements - By June 2007 DEQ will have the capacity to use PCS to produce a quarterly noncompliance report (QNCR) and transmit to EPA.	Ongoing Ongoing	Yes, and by State and Tribal Assistance grant		EPA will periodically inform DEQ of EPA's own progress in updating ICIS-NPDES, and to the extent possible, will solicit DEQ's input on issues pertaining to Oregon Data.

Appendix B: Water Quality Component

#	DEQ Commitment	EPA Commitment	Outputs	Target Date	Supported by PPG?	EPA PAM	Comments
7.2	Environmental Indicators – DEQ uses the Oregon Water Quality Index (OWQI) as the key indicator for WQ monitoring, using data collected from the 140 sites of the ambient monitoring network. Prepare periodic reports on water quality trends and indicators, including supporting the 303(d) assessment process.	TA; consultation	- Continue entering data into the data base. - Update of Index annually.	05/07 05/08	Yes		
7.3	Collect water quality data to support TMDL development		TMDL developed on schedule and supported by adequate data.	Ongoing	Yes		
7.4	Develop a TMDL as a pilot using DEQ's traditional modeling approach plus incorporating data from an EMAP-style sampling design. Focus will be on a basin where nonpoint source issues rather than point sources are the primary water quality drivers.	TA; Review and approve	Document new approach for Nonpoint Source TMDLs. Scope and conduct monitoring for a primarily nonpoint source TMDL.	Scoping and Sampling: Calendar year 2006, TMDL developed Calendar year 2007	Yes		Non-point sources may have other stressors not identified in original listings that triggered TMDL development; biological sampling will help develop a more holistic TMDL.
7.5	Enhance infrastructure for Oregon's water quality monitoring data at DEQ's Laboratory.	Provide supplement water quality monitoring funds	- Develop electronic data upload procedures for DEQ field and lab data to LASAR - Improved data entry and accessibility using DEQ's LASAR data base for third party users.	06/08	Yes		
7.6	Conduct monitoring for survey of lake conditions for 30 of Lakes in OR.	Provide funding for Lakes Monitoring work in OR, and lab and data analysis.	Monitoring work for Lakes in OR	06/08	Yes		Work Plan is attached.

Appendix B: Water Quality Component

Element 8: Management of Nonpoint Sources of Pollution

DEQ contact: Gene Foster
EPA contact: Christine Psyk

Section 319 of the federal Clean Water Act requires states to have nonpoint source (NPS) management programs based on assessments of the amounts and origins of NPS pollution in the state. Nonpoint source pollution comes from numerous diffuse sources such as runoff from roads, farms and construction sites. This type of pollution is understood to be the largest source of water quality impairment in Oregon, as well as the rest of the United States. Federal grants cover the majority of cost for Oregon's NPS program, which protects and restores both surface water and groundwater. During the 2005-2007 biennium, DEQ will provide close to $4 million to local organizations for nonpoint source projects such as public education and watershed restoration. DEQ's NPS program also includes staff, which performs the following activities:

- Characterization of NPS problems/concerns.
- Monitoring to support and determine effectiveness of BMP programs.
- Best management practices development/implementation.
- Coordination between stakeholders.
- Liaison support staff to other state and federal agencies.
- Restoration activities.
- Development and modeling for NPS TMDLs.
- Development of UAA/SSC as related to NPS activities; and
- Public education.

Environmental Outcome: Active management and control of nonpoint sources of pollution will reduce the amount of nonpoint source pollution getting into Oregon's waterways, resulting in water quality improvements as measured by ambient water quality monitoring, the OWQI and TMDL implementation monitoring plans.

#	DEQ Commitment	EPA Commitment	Outputs	Target Date	Supported by PPG?	EPA PAM	Comments
8.1	Review and update Oregon's 319 grant guidelines to include EPA's NPS Guidance 9's points criteria. Distribute 319 grants to fund project proposals to Oregon's priority basins based on TMDL development and implementation, and GWMAs. Work with EPA to review basins plans containing EPA's 9 point guidance.	Assist with criteria updates as needed. Target Oregon's priority watersheds for funding. Provide technical support and review of basin plans based on TMDL development and implementation and the 9 guidance points.	Solicit and select projects.	05/07 and 05/05	Yes	WQ-27	Funding criteria used to prioritize proposals. DEQ continues to develop watershed approach, TMDL implementation, and integration of EPA's NPS Guidance 9 points criteria into watershed implementation plans.
8.2	Prepare an annual report of NPS program accomplishments.	Review and take final action on annual report.	NPS Annual Report	03/07 and 03/08	Yes	WQ-15	Place on website.
8.3	CZMA approval process. DEQ will update documentation and attorney generals opinion for the CZMA submittal.	Approve, or work with EPA headquarter reviewers to coordinate approval from EPA and services. Document approval, or store application until approval is achieved.	EPA retention of CZMA submittal	05/07	Yes		

Appendix B: Water Quality Component

Element 9: Source Water Protection

DEQ contacts: Mary Sue Gilliand
EPA contacts: Eric Winiecki

Source Water Protection Program

The Safe Drinking Water Act Amendments (SDWA) of 1996 provided resources to states to focus more attention on the source areas for public water systems instead of solely relying upon treatment to achieve clean drinking water. Approximately 75% of Oregon's citizens get their drinking water from public water systems. To address the assessment requirements of the SDWA, the Department of Human Services – Health Services (DHS) teamed up with the Department of Environmental Quality (DEQ). The two agencies have established a Memorandum of Understanding to coordinate their work.

The two agencies worked closely in 1998 and 1999 with a citizen's advisory committee consisting of nine public water system managers and eleven interest groups and agency representatives to develop the Oregon program. DEQ and DHS then shared the responsibilities to implement the program that included computer database development, Geographic Information System (GIS) development, technical assistance, contamination source inventories, surface water delineations, groundwater delineations, and susceptibility analyses. Oregon completed the source water assessments in June 2005 for 142 surface water systems, 948 ground water systems (community and non-transient non-community), as well as 1040 transient non-community systems.

In recognition of the role of usable drinking water as a prerequisite for human health and future economic growth, DHS and DEQ have now shifted resources into providing technical assistance to public water systems and communities to encourage drinking water protection. This is being done through the use of site-specific information derived from the assessments, the development of outreach programs and tools, the integration of drinking water priorities with other agency programs, and working with local planning authorities to integrate drinking water protection areas into land use planning decisions."

EPA has set out a “Strategic Target” for the source water protection program, which the EPA regional offices are expected to meet:

- Strategic Target F: “By 2008 50% of source water areas for community water systems will achieve minimized risk to public health (minimized risk is achieved by substantial implementation, as determined by the State, of source water protection actions in a source water protection strategy).”
- DEQ recognizes that EPA Region 10 is expected to meet this target, and will endeavor to assist the Region in meeting it.

APPENDIX C: HAZARDOUS WASTE PROGRAM COMPONENT

HAZARDOUS WASTE PROGRAM

The primary purpose of DEQ's Hazardous Waste Program is to reduce the generation and promote the safe management of hazardous waste. The Program focuses its activities on the following priorities to accomplish its purpose:

- Promoting compliance with hazardous waste regulations.
- Reducing the amount of waste generated and the amount of toxic material used.
- Using strategic approaches, including partnerships, target sectors and geographic approaches, to achieve compliance and environmental results.

The Hazardous Waste Program influences the actions of hundreds of Oregon businesses and organizations through compliance inspections, technical assistance site visits, trainings, and education. These activities are key components of the Program's integrated strategy to ensure compliance, promote toxic use reduction and increasing the number of businesses that improve their overall environmental performance.

The Hazardous Waste work plan highlights key activities DEQ and EPA commit to in implementing these priorities. The following elaborates on the collaborative approaches that will be employed to achieve Program priorities.

Priority: Promote Safe Management of Hazardous Waste

Most of the Program's resources are devoted to ensuring safe management of hazardous waste, primarily through compliance inspections, permits, technical assistance site visits, and compliance training. DEQ acknowledges the importance of enforcement actions for significant non-compliers to deter non-compliance in the regulated community, and continues to implement a strong inspection enforcement program for this purpose. Compliance efforts are primarily focused on Large Quantity Generators (LQGs), Small Quantity Generators (SQGs), Treatment/Storage/Disposal facilities (TSDs), high priority complaints, and non-notifiers.

EPA and DEQ collaborated to ensure the cleanup of high priority Resource, Conservation and Recovery Act (RCRA) corrective action sites to prevent human exposures and control ground water releases at all eleven Oregon sites by the end of 2005. Having achieved that level of environmental protection, the next step is to manage completion of cleanup projects that count toward the national objectives of remedy selection at 30% and construction completion at 20% of the baseline by the end of 2008. The agencies will partner to ensure contaminated land is restored and to enable Oregon's communities to safely return to, or continue to use these properties for their economic and ecological benefits.

The agencies will achieve the national goals for preventing releases from hazardous waste management facilities through effective controls and will update those controls with current standards when permits expire.

Priority: Promote Pollution Prevention

While ensuring safe management of hazardous waste is critically important, it is equally important to work with businesses to reduce the amount of waste generated and to reduce the amount of toxic materials used. The agencies will coordinate efforts to achieve the national environmental objective of a 5% increase in the pounds of pollution reduced, treated, or eliminated and a 5% increase in the

number of regulated entities making improvement in environmental management practices from 2005 to 2008.

Priority: Use Strategic Approaches

In a time of diminishing resources, it is essential that we leverage our limited resources to maximize the environmental gains we are able to influence. Two important strategic approaches to accomplish this include forming partnerships and becoming more proficient at facilitating compliance and beyond compliance efforts.

The Hazardous Waste Program's integrated compliance strategy emphasizes the value of forming collaborative partnerships with Oregon businesses, communities, governmental agencies and other programs within DEQ, to produce environmental results. EPA and DEQ will continue to explore ways to work collaboratively to ensure we are not working at cross purposes.

DEQ and EPA will seek opportunities to develop and use innovative tools, such as the Environmental Stewardship Assessment Tool (ESAT). The ESAT will help us shift our thinking away from traditional measures, such as the number of inspections, toward measuring more meaningful outcomes, such as improved overall environmental performance. DEQ and EPA will work to incorporate these new measures in future PPA work agreements.

This PPA work plan reflects the priorities and goals of the Hazardous Waste Program, particularly in compliance, toxic use reduction and in increasing the number of businesses that improve their overall environmental performance. The PPA also addresses resource allocations in the following areas:

LQG and Complaint Inspections

DEQ will continue to inspect approximately 20% of its LQGs each year. DEQ will also continue to conduct high priority complaint investigations, some of which will likely result in enforcement actions. EPA and DEQ have agreed that DEQ will substitute on a one-for-one basis complaint investigations that result in enforcement for LQG inspection commitments. While it is not possible to project a specific reduction at this time, DEQ believes that such offsets are an appropriate strategy for addressing priority environmental problems within resource constraints. EPA and DEQ will monitor such offsets midcourse and assess this strategy for addressing priority environmental problems.

EPA State Review Framework

In 2007, EPA will conduct an evaluation of DEQ's compliance program under the National State Review Framework (SRF). DEQ and EPA agree that technical assistance is an effective tool in achieving compliance and promoting pollution prevention. The agencies will include an evaluation of the role of technical assistance in the integrated compliance strategy using the EPA State Review Framework Element 13 concept. Region 10 and DEQ will utilize the Element 13 guidance that is being developed by an EPA and ECOS workgroup to evaluate the technical assistance program for recognition credit. The agencies agree to use this review process, starting in July 2006, to pursue recognition credit for the technical assistance component of the DEQ integrated compliance program. During the first year of this PPG the agencies will work to produce a comprehensive Program compliance review report and in the second year work to provide recognition credit for Program tools (e.g., toxic use reduction, waste reduction assistance and compliance improvement measures) used to achieve Program objectives.

Rules and Authorization
Except for developing rules to support Oregon's Toxic Use and Hazardous Waste Reduction Law, DEQ will not allocate resources to new rulemaking or authorization during the first year of the PPA, other than to ensure the completion of the 2006 program update.

National Enforcement Priorities
EPA will conduct compliance assurance and enforcement activities in support of EPA's National RCRA compliance priorities (Mineral Processing/Mining and Financial Assurance). As specific plans and activities are identified, EPA will keep the state informed and will coordinate efforts with DEQ. DEQ will make an effort to contribute to OECA national sector priorities that may reasonably represent state concerns, however, resources will be allocated to implementing state environmental priorities first.

Program Measures

In addition to the measures outlined in the work plan, DEQ and EPA will begin to measure and evaluate how site-visits and trainings contribute to improved environmental performance. The Environmental Stewardship Assessment Tool will be used to collect the data.

Joint Agreements on Agency Communication and Coordination

DEQ and EPA have established a number of agreements on information sharing, communication and reporting. The agencies will continue to hold quarterly meetings to share our progress, plan work efforts and resolve issues. At the end of the first fiscal year, DEQ and EPA will check in on progress and negotiate any shifts in resources to reflect priority activities for the following year. The agencies agree to modify the work plan based on shifts in priority work or the addition of new work, such as EPA's financial assurance compliance project, and to accommodate changes to the HW budget that may occur as a result of the 2007 legislative session. At the end of the biennium each agency will provide a report summarizing key accomplishments. The following specific agreements are incorporated by reference:

- EPA RCRA Inspections in Oregon: Definitions and Agency Roles
- Issue Resolution Process Guidelines
- Corrective Action Communication Strategy
- 2003 RCRAInfo MOU
- DEQ Division 12, Enforcement Procedures and Civil Penalties
- EPA Region 10 and State Agency Agreement on Compliance Assurance Principles, May 1997

APPENDIX C: HAZARDOUS WASTE PROGRAM COMPONENT

Total DEQ FTE for this Component: 28.4
Of this total, # of FTE supported by the PPG: 8.0

Program Activity: Corrective Action			
DEQ HW Activities	**EPA Activities**	**Target Date**	**Program Measures**
• Increase the percentage of high priority corrective action facilities with remedy selected (30%) and construction complete (20%)	• Technical assistance	• Baron Blakeslee and Permapost remedies are selected by September 2008	• Remedy selection • Construction complete
• Evaluate recommendations of R10 corrective action file reviews	• Review facility files in Oregon and discuss results with DEQ	• Tektronix, Permapost, Columbia Helicopters and Evanite files in 2006; evaluate recommendations in 2007	• Human exposures controlled • Ground water releases controlled
• Coordinate the transition of Willamette Valley (velco), Boeing, and VWR corrective action project lead from R10 to the Cleanup Program	• Complete remedy construction and terminate EPA consent orders • Data collection for high priority sites	• Boeing 2006 • Willamette V. 2007 • VWR 2008	• Corrective action order terminated

APPENDIX C: HAZARDOUS WASTE PROGRAM COMPONENT

Program Activity: Permitting			
DEQ HW Activities	**EPA Activities**	**Target Date**	**Program Measures**
• Issue TSD permit renewal for Chemical Waste Management facility in Arlingtron, Oregon	• Provide timely review of permit	• September 30, 2006	• Effective controls in place
• Complete permit renewals for Tektronix and Permapost	• Provide timely review of permits	• September 2007	
Program Activity: Compliance Inspections and Enforcement			
DEQ HW Activities	**EPA Activities**	**Target Date**	**Program Measures**
• Conduct TSD and LQG inspections per national guidance and other inspections to address priority areas and take necessary enforcement actions	• Select and conduct 6 EPA inspections	• Annually	• Number of inspections (including TSDs and 20% of LQGs, which may be adjusted based on other priority work and complaint inspections that result in enforcement actions.)
• Discuss SNC designations and watch list facility enforcement responses	• Discuss SNC designations and watch list facility enforcement responses	• Quarterly	
Program Activity: Program Operation			
DEQ HW Activities	**EPA Activities**	**Target Date**	**Program Measures**
• Adopt new RCRA rules as of July 1, 2006	• Technical assistance, review and publication	• June 30, 2008	• Rules are adopted
• Discuss case studies with economic	• Discuss case studies with	• September 30,	• Findings in the 2004

benefit and injunctive relief • Support EPA in conducting the state framework review for FY 2005 (e.g. making data, files and staff available as needed) • Support EPA in implementing the financial assurance (FA) compliance initiative • Work with EPA to identify the key findings of the state framework review and FA initiative and to develop an action plan to respond to the findings	economic benefit and injunctive relief • Conduct the state framework review for FY 2005 and prepare final report • Complete the financial assurance compliance initiative and follow-up to non-compliance in consultation with DEQ • Work with DEQ to identify the key findings of the state framework review and FA initiative and to develop an action plan to respond to the findings	2006 • December 2006 • September 30, 2007	Compliance Program Review are resolved • State program oversight • Compliance determinations and appropriate enforcement
Program Activity: Innovation and Toxic Use Reduction			
DEQ HW Activities	**EPA Activities**	**Target Date**	**Program Measures**
• Use the Environmental Stewardship Assessment Tool to track pounds of pollution reduced, treated or eliminated • Use the Environmental Stewardship Assessment Tool to track entities that improve environmental practices	• Work with DEQ to incorporate technical assistance into the PPG work plan compliance mix • Conduct NPEP/pollution prevention technical assistance visits to facilities	• June 30, 2008 • June 30, 2008 • State Review Report Element 13 complete December 29, 2006	• Contribute to achieving the national goal of a 5% increase in the pounds of pollution reduced • A 5% increase in regulated entities making improvement in environmental management practices

• Measure the effectiveness of compliance assistance	• Conduct increased NPEP/pollution prevention technical assistance to federal facilities in Oregon; • Conduct NPEP workshop in Oregon or Seattle, recruit attendees from facilities in western Oregon		• State oversight